

**Appendix C:  
Tenant File Review Checklist  
Worksheets**

**Tenant File Review Checklist Worksheets**  
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**B. Annual Income and Assets Worksheet**

**Assets Table:**

	Family Member	Type of Asset	Date of Verification	Net Cash Value of Asset	Anticipated Actual Asset Income
1.a.				\$	\$
b.				\$	\$
c.				\$	\$
d.				\$	\$
e.				\$	\$
f.				\$	\$
g.				\$	\$
h.				\$	\$
2.	Totals:			\$	\$
3.	Current Passbook Rate:				%
4.	Imputed Asset Income (Total Net Cash Value > \$5000):			\$	
5.	<b>Final Asset Income (larger of Total Anticipated Actual Asset Income or Imputed Asset Income):</b>				\$

**Annual Income Table:**

	Family Member	Type of Income	Date of Verification	Income Rate	Annualized Income	Income Excluded	Income After Exclusions
1.a.				\$	\$	(\$ )	\$
b.				\$	\$	(\$ )	\$
c.				\$	\$	(\$ )	\$
d.				\$	\$	(\$ )	\$
e.				\$	\$	(\$ )	\$
f.				\$	\$	(\$ )	\$
g.				\$	\$	(\$ )	\$
h.				\$	\$	(\$ )	\$
i.				\$	\$	(\$ )	\$
j.				\$	\$	(\$ )	\$
k.				\$	\$	(\$ )	\$
2.	Total:						\$
3.	Final Asset Income (from Asset Table):						\$
4.	<b>TOTAL ANNUAL INCOME:</b>						\$

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**B. Annual Income and Assets Worksheet**

**Assets Table Instructions:**

Lines	Instructions
<p>1.a. – 1.h.</p>	<p>Use the table as necessary to record and calculate all assets for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process. The determinations used by the PHA are also recorded on the HUD-50058, lines 6a. through 6e.</p> <p>Indicate the name of each family member in the household that has assets. For each family member, indicate the type of asset that has a dollar value or provides income to the family member. Assets include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Savings accounts</li> <li>• Stocks, bonds and other forms of capital investments</li> <li>• Real property (land or property owned or bequeathed)</li> </ul> <p>Ensure that the PHA includes any business or family assets that the family may have disposed of for <i>less than fair market value</i> during the two (2) years preceding the effective date of the admission or reexamination (as appropriate).</p> <p>Assets do not include:</p> <ul style="list-style-type: none"> <li>• Interest in Indian Trust Lands</li> <li>• Equity accounts in HUD homeownership programs</li> <li>• Necessary items of personal property, such as furniture and automobiles</li> <li>• Trust funds, in cases where the trust is not revocable by, or under the control of, any member of the family or household.</li> </ul> <p>For each asset, indicate the date(s) of the source documentation used to verify the asset, asset amount, income generated from the asset, etc.</p> <p>For each asset, establish the net cash value. The actual dollar value of the asset may have been known by the PHA at the time of the admission/reexamination (e.g., the amount in a savings account). PHA policy may also establish some formula to determine the value of an asset that may fluctuate over the course of the year. In some cases, a family might incur costs if the asset were to be actually liquidated by the family. In such cases, the dollar value of the asset should be the <i>net</i> cash value, after subtracting any costs to sell the asset from the asset's value.</p> <p>Finally, if the asset is expected to generate any actual "income" (such as interest on a savings account), establish the amount of income that the asset is anticipated to generate in the 12-month period following the effective date of the admission/reexamination.</p>
<p>2.</p>	<p>In the two spaces provided, record the totals of the two columns: <b>Net Cash Value of Assets</b> and <b>Anticipated Actual Asset Income</b>, respectively. Cross check with HUD-50058, lines 6f. and 6g.</p>
<p>3.</p>	<p>In the space provided, record the current passbook savings rate used by the PHA to compute imputed asset income. The passbook savings rate is generally based on an average rate for banks in the area. Typically, the rate is around <b>two percent (2%)</b>. Cross check with HUD-50058, line 6h.</p>

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**B. Annual Income and Assets Worksheet**

**Assets Table Instructions (continued):**

Lines	Instructions						
4.	<p>Where the total <b>Net Cash Value of Assets</b> (computed on <b>Line 2.</b>) is greater than \$5000, use the passbook savings rate to compute an <u>imputed</u> asset income. The total <b>Net Cash Value of Assets</b> should be multiplied by the passbook savings rate (converted to a decimal) to arrive at imputed asset income. Enter the result on this line.</p> <p>Example:</p> <table style="margin-left: 40px;"> <tr> <td>Net Cash Value of Assets:</td> <td style="text-align: right;">\$6000</td> </tr> <tr> <td>Passbook Rate (converted to decimal):</td> <td style="text-align: right;"><u>X .02</u></td> </tr> <tr> <td>Equals Imputed Asset Income:</td> <td style="text-align: right;">\$ 120</td> </tr> </table> <p>Where the total <b>Net Cash Value of Assets</b> is \$5000 or less, enter \$0. Cross check with HUD-50058, line 6i.</p>	Net Cash Value of Assets:	\$6000	Passbook Rate (converted to decimal):	<u>X .02</u>	Equals Imputed Asset Income:	\$ 120
Net Cash Value of Assets:	\$6000						
Passbook Rate (converted to decimal):	<u>X .02</u>						
Equals Imputed Asset Income:	\$ 120						
5.	<p>Compare the total <b>Anticipated Actual Asset Income</b>, computed on <b>Line 2.</b>, with the imputed asset income (if any) computed on <b>Line 4.</b> Use the <i>larger</i> of these two figures as the <b>Final Asset Income</b>. Record the result on this line. This is the amount that the PHA should use as asset income when computing the family's overall <b>Annual Income</b> (see <b>Line 3.</b> of the Annual Income table). Cross check with HUD-50058, line 6j.</p>						

**Annual Income Table Instructions:**

Lines	Instructions
1.a. – 1.k.	<p>Use the table as necessary to record and calculate all income for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process. The determinations used by the PHA are also recorded on the HUD-50058, lines 7a. through 7f.</p> <p>Indicate the name of each family member in the household that received income.</p> <p>For each family member, indicate the type of income that the family member receives. Income may be received from a variety of sources. Form HUD-50058 categorizes these sources as:</p> <ul style="list-style-type: none"> <li>• <b>Wages</b>, including business income, federal wages or compensation, PHA wages or compensation, military wages, or other wages received from a public or private source.</li> <li>• <b>Welfare</b>, including general welfare assistance, annual imputed welfare income, and TANF assistance.</li> <li>• <b>SS/SSI/Pensions</b>, including periodic pensions and annuities, Supplemental Security Income, Social Security benefits, etc.</li> <li>• <b>Other Income Sources</b>, including child support, medical reimbursement, Indian Trust/per capita, other non-wage sources, unemployment benefits, etc.</li> </ul> <p>For purposes of using the table, the HUD reviewer should avoid the more general categories used by the HUD-50058 and should record the specific type and source of income appropriate to each specific family member (e.g., name of employer, agency or individual providing income, etc.).</p> <p>For type of income, indicate the date(s) of the source documentation used to verify the type of income, income rate, income amount, and other circumstances related to the income.</p>

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**B. Annual Income and Assets Worksheet**

**Annual Income Table Instructions (continued):**

Lines	Instructions
	<p>Because Annual Income reflects the amount of income <i>anticipated</i> to be received in the 12-months following the effective date of the admission/reexamination, any income information received by the PHA for a lesser period must be projected out over the entire 12-month period. To do this, it may be necessary to establish the <i>rate</i> at which this lesser income amount is received (e.g., hourly, weekly, monthly, etc.). Where appropriate, use the file documentation to establish the rate at which a particular income amount is received. Then, using this rate, calculate an <i>annualized</i> amount of income that reflects the total amount of income that would be received by the family member over the entire 12-month period. Cross check with HUD-50058, line 7d.</p> <p>There are many types of income that are excluded “off-the-top” when calculating Annual Income. Using the file documentation, examine the record of any income sources where the PHA has identified the income source but has elected <u>not</u> to count the income in the Annual Income computation. Indicate the amount of this “excluded” income (also expressed as an “annualized” amount). Ensure that the PHA has not inappropriately <u>excluded</u> sources of income that should be <u>included</u>. Cross check this income with the income exclusions listed on HUD-50058, line 7e. for each family member. A partial listing of income sources to be excluded:</p> <ul style="list-style-type: none"> <li>• Earnings over \$480 for full-time students over age 18</li> <li>• Payments for student financial assistance paid directly to the student or educational institution.</li> <li>• Lump-sum additions to family assets (inheritance, insurance payments, capital gains, etc.)</li> <li>• Lump-sum payments of deferred benefits</li> <li>• Temporary, non-recurring, sporadic income</li> <li>• Amounts received for reimbursements of medical expenses of any family member</li> <li>• Income of a Live-in Aide</li> <li>• Adoption assistance payments in excess of \$480 per child</li> <li>• Payments to keep developmentally disabled family members at home.</li> <li>• Payments received for care of foster children or adults</li> <li>• Special armed forces pay</li> <li>• Foreign government reparations payments.</li> <li>• Earnings and benefits from employment training programs funded by HUD</li> <li>• Incremental earnings/benefits from participation in qualifying state/local employment programs</li> <li>• Reimbursement for out-of-pocket expenses while attending a public assisted training program</li> <li>• Resident service stipend not to exceed \$200 for services to the PHA (if applicable to PHA)</li> </ul>

**B. Annual Income and Assets Worksheet**

**Annual Income Table Instructions (continued):**

Lines	Instructions
	<p><b><u>Earned Income Exclusion:</u></b></p> <p>There are certain conditions under which the PHA must provide an <b>earned income exclusion</b> from Annual Income to a family. These requirements differ slightly in the public housing program and the Section 8 HCV program.</p> <p>In the public housing program, any a family undergoing a <b>reexamination</b> and paying an income-based rent may be entitled to an earned income exclusion for <u>any</u> family member. In the Section 8 HCV program, any a family undergoing a <b>reexamination</b> and paying an income-based rent may be entitled to an earned income exclusion for <u>any family member who is a person with disabilities</u>.</p> <p>Generally, this earned income exclusion would not apply to a <b>recent admission</b> family in either program. In the Section 8 HCV program, the earned income exclusion would also not apply to a <b>portability-in</b> family, where the family was <u>not</u> already receiving assistance in the Initial PHA’s jurisdiction. This is because the earned income exclusion does not apply for purposes of admission to the program.</p> <p>However, in the Section 8 HCV program, the earned income exclusion <u>would apply</u> to a <b>mover</b> family, moving with continued assistance within the PHA’s jurisdiction, and a <b>portability-in</b> family, where the family <u>was</u> already receiving assistance in the Initial PHA’s jurisdiction. These categories of families are already receiving assistance under the Section 8 program and are not being initially admitted to the program.</p> <p>Conditions under which the PHA must provide an <b>earned income exclusion</b> from Annual Income include:</p> <ul style="list-style-type: none"> <li>• Family’s Annual Income increases as a result of the employment of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), and who was previously unemployed for one or more years prior to employment;</li> <li>• Family’s Annual Income increases as a result of increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during participation in any economic self-sufficiency or other job training program;</li> <li>• Family’s Annual Income increases as a result of new employment or increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title VI of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WtW) programs.</li> </ul>



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**B. Annual Income and Assets Worksheet**

**Annual Income Table Instructions (continued):**

Lines	Instructions
	<p>For a qualified family – For the first cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences the increase in Annual Income attributable to employment, there is a 100% exclusion from the family’s Annual Income. For the second cumulative 12-month period beginning on the date the family member is first employed or the family first experiences the increase in Annual Income attributable to employment, the exclusion is a 50% exclusion from the family’s Annual Income.</p> <p>The <b>earned income exclusion</b> can be a complicated and tricky determination, and the HUD reviewer should examine PHA documentation and calculations carefully for consistency with regulatory criteria and current HUD guidance. Note that the current version of the HUD-50058 does not lead the PHA through the calculation of earned income exclusion. The PHA should have its own locally-developed materials to calculate this exclusion and to document how the excluded amount was arrived at. The resulting excluded amount would then be recorded on the HUD-50058 in the appropriate space on line 7e.</p> <p>The final column on the Income Table is used to record the final “annualized” income for each family member <u>after</u> excluding any income amounts. Cross check this amount with the amount listed on HUD-50058, line 7f. for each family member.</p>
2.	In the space provided, record the total of all amounts in the <b>Income After Exclusions</b> column. Cross check with HUD-50058, line 7g.
3.	Record the <b>Final Asset Income</b> (if any) for the family, in the space provided on this line. Refer to the total calculated on <b>Line 5.</b> of the Asset Table. If no asset income, enter \$0.
4.	Add the amounts on <b>Line 2.</b> and <b>Line 3.</b> , and record the result in space provided on this line. This amount reflects the <b>Total Annual Income</b> for the family. Cross check with HUD-50058, line 7i.

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**C. Dwelling Unit / Utility Allowance Worksheet**

**Utility Allowance Table:**

Utility	Type	Scheduled UA	Utility	Scheduled UA
Heating		\$	Trash	\$
Cooking		\$	Air Conditioning	\$
Water Heating		\$	Range	\$
Other Electric		\$	Refrigerator	\$
Water		\$	Other:	\$
Sewer		\$	Other:	\$
<b>Total Utility Allowance</b> for dwelling unit (if none, enter \$0):				<b>\$</b>

**Utility Allowance Table Instructions:**

Instructions	
	<p>In the public housing program, where the tenant family is paying an <u>income-based rent</u> and is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, the family must be given a utility allowance. Families paying a <u>flat rent</u> do not receive a utility allowance. Utilities for which the family is responsible should be reflected on the family's dwelling lease.</p> <p>In the Section 8 HCV program, any family who is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, must be given a utility allowance.</p> <ul style="list-style-type: none"> <li>• Generally, for a <b>recent admission</b> family, a <b>mover</b> family moving with continued assistance within the PHA's jurisdiction, or a <b>portability-in</b> family, the file should include a form HUD-52517, <u>Request for Tenancy Approval</u>, which fully outlines the utility combination for the unit and responsibility for utilities. However, the PHA may have determined that the owner's proposed rent was not rent reasonable and the owner subsequently changed the rent amount. One approach to changing the rent amount might have been a change in responsibility for certain utilities – e.g., the owner might have elected to assume responsibility for providing additional utilities under the lease. In this case, the utility combination on the HUD-52517 would need to be revised to reflect these changes in utility responsibilities.</li> <li>• For a <b>reexamination</b> family, the utility combination might have changed significantly since the prior reexamination (or initial leasing). Both the dwelling lease and the HAP contract should specify the current combination of utilities and appliances, particularly if these have changed.</li> </ul> <p>Based on the file documentation, determine if the family is responsible for some or all utilities in the dwelling unit and complete the table by noting the appropriate Utility Allowance (UA) amount for each utility supplied by the family. Utility allowances should be based on the PHA's schedule or schedules for such allowances, taking into account the size and type of unit and the type of utility used. Note that, even between units of the same bedroom size in the same project, utility allowances may vary due to actual unit physical size, location within the project, types of utilities applicable to different units, etc.</p> <p>Total all of the scheduled UA amounts to arrive at the <b>Total Utility Allowance</b> amount for the unit. Enter this total in the space provided on this line. Cross check with HUD-50058, line 10e. or line 10r. for the public housing program. Cross check with HUD-50058, line 12m.. for the Section 8 HCV program.</p>

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**D. Adjusted Income Worksheet**

**Dependent Deduction:**

1.a. Total number of dependents in Family:

b. **Dependent Deduction** (Total number of dependents X \$480): \$

**Elderly / Disabled Family Deduction:**

	Yes	No	Unclear
2.a. Family qualifies as "Elderly" or "Disabled" family?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. If "Yes", enter \$400 <b>Elderly / Disabled Family Deduction</b> . If "No", enter \$0:	\$ <input type="text"/>		

**Medical Expenses**

	Family Member	Medical Expense Description	Date of Verification	Annual Expense Amount
3.a.				\$
b.				\$
c.				\$
d.				\$
e.				\$
f.				\$
4.	<b>Total Annual Medical Expense:</b>			\$ <input type="text"/>

**Disability Assistance Expenses**

	Family Member	Disability Assistance Expense Description	Date of Verification	Annual Expense Amount
5.a.				\$
b.				\$
c.				\$
d.				\$
e.				\$
6.	<b>Total Annual Disability Assistance Expenses:</b>			\$ <input type="text"/>

**Medical / Disability Assistance Expenses Deduction:**

	Yes	No	Unclear
7. Three (3) percent of Annual Income (Annual Income Table <b>Line 4.</b> x <b>0.03</b> ):	\$ <input type="text"/>		
8.a. Family includes both "disabled" family member(s) and employed family member(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Family incurs disability assistance expenses to enable family member(s) to be employed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Amount of disability assistance expenses that are unreimbursed & reasonable:	\$ <input type="text"/>		
9. <b>Line 8.c.</b> minus <b>Line 7.</b> :	\$ <input type="text"/>		
<ul style="list-style-type: none"> <li>• If result is a negative number <u>and</u> <b>Line 2.a.</b> is "Yes", copy amount from <b>Line 8.c.</b></li> <li>• If result is a negative number <u>and</u> <b>Line 2.a.</b> is "No", enter \$0</li> </ul>			
10. Amount of employment income made possible by disability assistance expenses:	\$ <input type="text"/>		
11. The <u>lower</u> amount of <b>Line 9.</b> or <b>Line 10.</b> :	\$ <input type="text"/>		
<ul style="list-style-type: none"> <li>• If <b>Line 8.c.</b> is less than <b>Line 7.</b> <u>and</u> <b>Line 2.a.</b> is "Yes", copy amount from <b>Line 9.</b></li> </ul>			

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**D. Adjusted Income Worksheet**

12. If Line 2.a. is "Yes", amount of unreimbursed medical expenses for entire family: \$

13. Sum of Line 11. and Line 12.: \$

14. **Medical / Disability Assistance Expenses Deduction:** \$

- If Line 8.c. = \$0, subtract Line 7. from Line 13. If negative result, enter \$0
- If Line 8.c. is less than Line 7., subtract Line 7. from Line 13. If negative result, enter \$0
- If Line 8.c. is greater than or equal to Line 7.. enter amount from Line 13.

**Child Care Expenses**

	Family Member	Child Care Expense Description	Date of Verification	Annual Expense Amount	
15.a.				\$	
b.				\$	
c.				\$	
d.				\$	
e.				\$	
16.	<b>Total Annual Child Care Expenses:</b>				\$ <input type="text"/>

**Child Care Expenses Deduction:**

		Yes	No	Unclear	
17.a.	Family includes member(s) under age 13?				
b.	Amount of unreimbursed, reasonable child care costs incurred by family:	\$ <input type="text"/>			
18.a.	Family has any member(s) employed?				
b.	Child care costs enable member(s) to be employed?				
c.	Amount of employment income enabled by child care costs:	\$ <input type="text"/>			
d.	Amount on Line 17.b., not to exceed amount on Line 18.c.	\$ <input type="text"/>			
19.a.	Family has any member(s) furthering education?				
b.	Child care costs enable member(s) to further education?				
20.	<b>Child Care Expenses Deduction:</b>				\$ <input type="text"/>

- Where both Line 18.a. and Line 18.b. are "Yes", enter amount from Line 18.d.
- Where Line 18.a. is "No", but Lines 19.a. and 19.b. are "Yes", enter amount from Line 17.b.

**P.H. Permissive Deductions**

	Family Member	Type of Deduction	Date of Verification	Annual Amount	
21.a.				\$	
b.				\$	
c.				\$	
22.	<b>PH: Total Permissive Deductions:</b>				\$ <input type="text"/>

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***D. Adjusted Income Worksheet***

23.	Total Annual Income:	\$
24.	Total All Deductions:	\$
25.	<b>TOTAL ADJUSTED INCOME = Line 23. minus Line 24.:</b>	\$

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions:**

Line	Instructions
1.a.	<p>Indicate the total number of dependents in the household. Dependents include any family members who are under age 18, have a disability, or are full-time students of any age. Dependents who are temporarily absent from the home, but listed on the lease, should be included. Dependents do not include household members who are head of household, spouse of head, foster children, foster adults, live-in aides, the children of live-in aides, or any other members of the household who are not considered family members. Refer to the Tenant File Review Checklist table under section <b>A. Family Composition</b>, to identify family member dependents.</p>
1.b.	<p>Calculate the total <b>Dependent Deduction</b> for the family. The standard dependent deduction is \$480 per dependent. Cross check with HUD-50058, line 8r., to ensure that PHA has used the standard deduction amount in its calculation.</p> <p>Multiply <b>Line 1.a.</b> times \$480. Cross check total dependent deduction amount, as reflected in tenant file, with HUD-50058, line 8s</p>
2.a.	<p>Confirm whether the family qualifies as an “elderly” or “disabled” family. For the family to qualify for this deduction, the head of the family, the spouse of the head, or the sole member of the family must be a person age 62 or over, <u>or</u> be a disabled person.</p> <p>Refer to the Tenant File Review Checklist table under section <b>A. Family Composition</b>, where age and disability status of family head and spouse were established.</p>
2.b.	<p>If the answer on <b>Line 2.a.</b> is “Yes”, calculate the <b>Elderly/Disabled Family Deduction</b> for the family. The standard “elderly/disabled” family deduction is \$400 per family. Note that this deduction is <u>per family</u>, not per individual. Cross check with HUD-50058, line 8p., to ensure that PHA has used the standard deduction amount in its calculation.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

**Line 3.a.** through **Line 14.** of the worksheet assess whether the family has medical expenses and/or disability assistance expenses, whether the family qualifies for a deduction for these expenses and, if so, the amount of this deduction.

A family is entitled to a deduction for the sum of the following, to the extent the sum exceeds three percent of Annual Income:

- Unreimbursed medical expenses for an elderly or disabled family (i.e., head, spouse or sole member is elderly or disabled);
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of any family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member with disabilities) to be employed. Any deduction given for these type of expenses may not exceed the earned income received by the family member(s) who are 18 years of age or older and who are enabled to work because of the care or apparatus.

This can be a tricky computation, particularly when the family has both medical expenses and attendant care/auxiliary apparatus expenses. The HUD-50058, lines 8f. – 8n., correctly leads the PHA through this calculation, assuming the PHA has accurately identified and verified the expense amounts used.

Line	Instructions
<p><b>3.a. -</b> <b>3.f.</b></p>	<p>Use the table as necessary to record and calculate <b>medical expenses</b> for all family members in any family that is an “elderly” or “disabled” family only.</p> <p>The HUD reviewer should ensure that medical expenses are unreimbursed expenses, not paid by a source outside the family. The PHA should also count unreimbursed medical expenses for the <u>entire</u> family (not just the elderly/disabled head or spouse). Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted. PHA policy should outline acceptable forms of verification and documentation of anticipated medical expenses.</p> <p>Indicate the name of each family member in the household that incurred medical expenses. For each family member, give a description of the medical expense. This description should note the type of expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process.</p> <p>For each type of medical expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense.</p> <p>The final column on the table is used to record the “annual” amount for each type of medical expense – the amount the family member is projected to pay for this medical expense over the 12-month period following the effective date of the admission or reexamination.</p>
<p><b>4.</b></p>	<p>In the space provided, record the total of all amounts in the <b>Annual Expense Amount</b> column. Cross check with HUD-50058, line 8k.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
<p>5.a. - 5.e.</p>	<p>Use the table as necessary to record and calculate <b>disability assistance expenses</b> for all family members in any family.</p> <p>Disability assistance expenses are defined as reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and Auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (NOTE the distinction between these expenses and <u>child care expenses</u>, which may enable a family member to be employed <u>or</u> further education).</p> <p>Examples of such expenses could include payment for a caregiver to take care of the disabled family member while another family member is at work; or could include special equipment or apparatus to enable the disabled family member to go to work.</p> <p>The HUD reviewer should examine the PHA's tenant file documentation for a clear record of these expenses. The PHA should maintain a clear record that the expenses are not being paid by another party but are paid by the family. Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted.</p> <p>The PHA should also maintain a clear record of whether any expenses were considered <u>not</u> reasonable and, if so, on what basis. Generally, where the PHA decides to not count certain expenses on the basis that the expenses were "unreasonable," this decision should flow from established PHA policy on the reasonableness of such expenses.</p> <p>Where more than one family member is employed, review the PHA's approach to determining whether <u>all</u> employed family members are enabled to be employed by the expenses or, if not, which member or members <u>are</u> enabled to be employed by the expenses.</p> <p>Indicate the name of each family member in the household that incurred disability assistance expenses. For each family member, give a description of the expense. This description should note the type of expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process.</p> <p>For each type of disability assistance expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense.</p> <p>The final column on the table is used to record the "annual" amount for each type of disability assistance expense – the amount the family member is projected to pay for this expense over the 12-month period following the effective date of the admission or reexamination.</p>
<p>6.</p>	<p>In the space provided, record the total of all amounts in the <b>Annual Expense Amount</b> column. Cross check with HUD-50058, line 8g.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
7.	<p>Calculate three (3) percent of the family's <b>Annual Income</b>. If you used the Annual Income table to calculate Annual Income, refer to <b>Line 4.</b> of that table. Otherwise, identify Annual Income from the tenant file record.</p> <p>This amount acts as a "threshold" for medical expenses and/or disability assistance expenses, when determining a deduction for a qualified family. Only the eligible expenses that rise above this level may be considered for a deduction. Cross check this calculation with HUD-50058, line 8f.</p>
8.a.	<p>Determine if the family includes <u>any</u> family members who are disabled. Refer to the Tenant File Review Checklist table under section <b>A. Family Composition</b>, where the disability status of each family member was confirmed. Determine if the family includes <u>any</u> family members who are employed (including the disabled family member). If you used the Annual Income table to calculate Annual Income, refer to that table where income and types of income were identified for every family member. Otherwise refer to the tenant file record.</p> <p>Where the family includes <u>both</u> family member(s) who are disabled <u>and</u> family member(s) who are employed (including the disabled family member), proceed to <b>Line 8.b.</b></p> <p>If the family does <u>not</u> include any members who qualify as disabled persons, then the family would <u>not</u> qualify for any deduction for disability assistance expenses. If the family includes any members who qualify as disabled persons, but does <u>not</u> include any family member(s) who are employed, then the family would <u>not</u> qualify for any deduction for disability assistance expenses.</p> <p>In this instance, skip <b>Line 8.b.</b> through <b>Line 10.</b>, enter \$0 in the space provided on <b>Line 11.</b>, then proceed to <b>Line 12.</b></p>
8.b.	<p>Where the family includes any members who qualify as disabled persons <u>and</u> includes any family member(s) who are employed, the PHA will need to determine if the family incurs any disability assistance expenses to enable the family member(s) to be employed and the amount of those expenses that are unreimbursed by an outside source <u>and</u> are "reasonable."</p> <p>Refer to <b>Line 5.a.</b> through <b>Line 6.</b> for calculations of disability assistance expenses for the family. Where a qualified family incurred such expenses, enter "Yes" and proceed to <b>Line 8.c.</b></p> <p>Where the family includes any members who qualify as disabled persons <u>and</u> includes any family member(s) who are employed, but the family does <u>not</u> incur any disability assistance expenses to enable the family member(s) to be employed, then the family would <u>not</u> qualify for any deduction for disability assistance expenses.</p> <p>In this instance, skip <b>Line 8.c.</b> through <b>Line 10.</b>, enter \$0 in the space provided on <b>Line 11.</b>, then proceed to <b>Line 12.</b></p>
8.c.	<p>Record the amount of unreimbursed, reasonable disability assistance expenses in the space provided on this line. Refer to the total on <b>Line 6.</b>, from the table used to calculate disability assistance expenses for the family. Cross check this amount with HUD-50058, line 8g.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
9.	<p>Subtract the amount on <b>Line 8.c.</b> from the amount on <b>Line 7.</b> The results of this calculation should be consistent with the amount on Form HUD-50058, line 8h., for this tenant family.</p> <p>If <b>Line 8.c.</b> is greater than or equal to <b>Line 7.</b>, this means that disability assistance expenses equal or exceed three percent of Annual Income and the family <i>may</i> be entitled to a deduction. In this instance, simply record the result in the space on this line and continue the calculations on <b>Line 10.</b></p> <p>If <b>Line 8.c.</b> is less than <b>Line 7.</b>, this means that three percent of Annual Income exceeds disability assistance expenses. In this instance, the family might still qualify for a deduction <u>if</u> the family is an “elderly/disabled” family <u>and</u> has unreimbursed medical expenses. For this reason, the HUD reviewer should check the answer to the question on <b>Line 2.a.</b> On that line, a determination was made whether the family qualified as an “elderly” or “disabled” family.</p> <ul style="list-style-type: none"> <li>• If the answer on <b>Line 2.a.</b> was “No”, the family does <u>not</u> qualify as an “elderly/disabled” family and will receive no medical/disability assistance expenses deduction. In this instance, skip <b>Line 9.</b> through <b>Line 13.</b>, enter \$0 in the space provided on <b>Line 14.</b>, then proceed to <b>Line 15.a.</b></li> <li>• If the answer on <b>Line 2.a.</b> was “Yes”, the family <u>does</u> qualify as an “elderly/disabled” family and may still be entitled to a deduction if unreimbursed medical expenses are large enough. For this reason, the HUD reviewer should enter the amount of reasonable, unreimbursed disability assistance expenses from <b>Line 8.c.</b> in the space provided, and continue the calculations on <b>Line 10.</b></li> </ul>
10.	<p>So far, we’ve established that the family includes members who qualify as disabled persons <u>and</u> includes any family member(s) who are employed <u>and</u> has unreimbursed, reasonable disability assistance expenses. We’ve also established that these expenses either exceed three percent of Annual Income or, if not, the family qualifies as an “elderly/disabled” family. The next step in the process is to compare the disability assistance expenses with the employment income made possible by these expenses.</p> <p>First, we must determine the amount of employment income. PHA tenant file documentation should be clear on which family member or members are enabled to be employed by the disability assistance expenses. If the HUD reviewer completed the Annual Income table, refer to <b>Line 1.a.</b> through <b>Line 1.k.</b> on that table, where income and income amounts were identified for every family member. Otherwise, refer to the tenant file record.</p> <p>Record the amount of employment income made possible by the disability assistance expenses in the space provided on this line. Cross check this amount with HUD-50058, line 8i.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
11.	<p>On this line, we establish the amount of allowable disability assistance expense. To do this, we must first refer back to our comparison of the family’s actual, unreimbursed, reasonable disability assistance expenses with three percent of the family’s Annual Income (the same comparison we made on <b>Line 9.</b>).</p> <p>If <b>Line 8.c.</b> is greater than or equal to <b>Line 7.</b>, this means that disability assistance expenses equal or exceed three percent of Annual Income and the family <i>may</i> be entitled to a deduction. In this instance, compare the amount of employment income made possible by the disability assistance expenses on <b>Line 10.</b> with the amount by which disability assistance expenses exceeded three percent of Annual Income from <b>Line 9.</b> Record the <u>lower</u> of these two amounts in the space provided on this <b>Line 11.</b></p> <ul style="list-style-type: none"> <li>It’s important to note why this comparison is made in this way. The regulations explicitly state that “...any <i>deduction</i> given for these type of expenses may not exceed the earned income received by the family member(s) who are 18 years of age or older and who are enabled to work because of the care or apparatus.” It is the potential <u>deduction</u> for disability assistance expenses that must be compared with the actual employment income. The PHA does <u>not</u> simply compare expenses (<b>Line 8.c.</b>) with employment income.</li> </ul> <p>If <b>Line 8.c.</b> is less than <b>Line 7.</b>, this means that three percent of Annual Income exceeds disability assistance expenses. Again, the family might still qualify for a deduction <u>if</u> the family is an “elderly/disabled” family <u>and</u> has unreimbursed medical expenses. So, we again refer back to the question on <b>Line 2.a.</b> where we determined if the family qualified as an “elderly” or “disabled” family.</p> <p>Where the answer to the question on <b>Line 2.a.</b> is “Yes” and the family <u>does</u> qualify as an “elderly/disabled” family, then the HUD reviewer should simply carry over the amount from <b>Line 9.</b> and enter this amount in the space provided on this <b>Line 11.</b> (Note that If the answer to the question on <b>Line 2.a.</b> is “No”, then <b>Line 9.</b> instructed you to skip to <b>Line 14.</b> and enter \$0. Since here you are on <b>Line 11.</b>, we can assume that’s not the case).</p> <ul style="list-style-type: none"> <li>It’s important to note that there is no reason to compare the amount on <b>Line 9.</b> with the employment income on <b>Line 10.</b> in this instance. Why? Because, again, it is the potential <u>deduction</u> for disability assistance expenses that must be compared with the actual employment income. Because disability assistance expenses do <u>not</u> exceed three percent of Annual Income, there is no potential deduction for these expenses alone.</li> </ul> <p>The results of this calculation should be consistent with the amount on Form HUD-50058, line 8j., for this tenant family. Continue the calculations on <b>Line 12.</b></p>
12.	<p>Where the answer to the question on <b>Line 2.a.</b> was “Yes”, then the family qualifies as an “elderly” or “disabled” family. In that case, review the PHA’s tenant file documentation and identify medical expenses for the family. Where the HUD reviewer used the table on <b>Line 3.a.</b> through <b>Line 4.</b> to calculate medical expenses for the family, use the total from <b>Line 4.</b> Otherwise, refer to the tenant file record. Enter the amount of total annual medical expenses for the family in the space provided on this <b>Line 12.</b></p> <p>Where the answer to the question on <b>Line 2.a.</b> was “No”, the family does <u>not</u> qualify as an “elderly” or “disabled” family and would <u>not</u> be entitled to any deduction for medical expenses. In this instance, enter \$0 in the space provided. Cross check this result with HUD-50058, line 8k.</p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
13.	<p>On this line, total the results of the allowable disability assistance expenses calculations (<b>Line 11.</b>) and the amount of unreimbursed medical expenses (<b>Line 12.</b>). Cross check this result with HUD-50058, line 8m.</p>
14.	<p>On this line, we calculate the final <b>Medical / Disability Assistance Expenses Deduction</b>. The amount we use for the deduction will depend on the results of our prior calculations and determinations.</p> <p><b>1<sup>st</sup>:</b> Check the amount on <b>Line 8.c</b>. Where this amount is \$0, this means that either:</p> <ul style="list-style-type: none"> <li><b>a.</b> The family does <u>not</u> include any disabled family members, or</li> <li><b>b.</b> The family does <u>not</u> include any employed family members, or</li> <li><b>c.</b> The family did <u>not</u> incur disability assistance expenses to enable a family member to be employed</li> </ul> <p>Where the amount on <b>Line 8.c.</b> = \$0, subtract <b>Line 7.</b> from <b>Line 13.</b> and enter the result in the space provided. The result represents the amount of deduction for this family. If the result is a <b>negative</b> number, then the family’s medical expenses (if any) did not exceed the three percent of Annual Income “threshold.” In this instance, enter \$0 in the space provided.</p> <p><b>2<sup>nd</sup>:</b> Assuming that the amount on <b>Line 8.c.</b> does <u>not</u> equal \$0, we return to our comparison of the family’s actual, unreimbursed, reasonable disability assistance expenses with three percent of the family’s Annual Income (same comparison we made on <b>Line 9.</b> and again on <b>Line 11.</b>).</p> <ul style="list-style-type: none"> <li><b>a.</b> If <b>Line 8.c.</b> is greater than or equal to <b>Line 7.</b>, then disability assistance expenses equal or exceed three percent of Annual Income. This means that the disability assistance expenses incurred by the family to enable a family member to be employed were alone sufficient to equal or exceed the three percent of Annual Income medical/disability “threshold.” In this instance, enter the amount from <b>Line 13.</b> in the space provided on this line. This represents the amount of deduction for this family.</li> <li><b>b.</b> If <b>Line 8.c.</b> is less than <b>Line 7.</b>, this means that three percent of Annual Income exceeds disability assistance expenses. In other words, whatever disability assistance expenses were incurred by the family to enable a family member to be employed, these expenses alone did <u>not</u> exceed the three percent of Annual Income medical/disability “threshold.” In this instance subtract <b>Line 7.</b> from <b>Line 13.</b> and enter the result in the space provided. The result represents the amount of deduction for this family. If the result is a <b>negative</b> number, then the family’s medical expenses (if any) did not exceed the three percent of Annual Income “threshold.” In this instance, enter \$0 in the space provided.</li> </ul> <p>Cross check your result with HUD-50058, line 8n.</p>

**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

**Line 15.a.** through **Line 20.** assess whether the family has child care expenses, whether the family qualifies for a deduction for these expenses and, if so, the deduction amount. Child care expenses are defined as:

Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in Annual Income.

Not all child care expenses are eligible to be used as a deduction.

Child care expenses must be “reasonable.” The regulations offer no clarification or definition of the term “reasonable” but leave it to the discretion of the PHA. The PHA should maintain a clear record of whether any expenses were considered not reasonable and, if so, on what basis. Generally, where the PHA decides to not count certain expenses on the basis that the expenses were “unreasonable,” this decision should flow from established PHA policy on the reasonableness of such expenses.

Child care expenses used as a deduction should be unreimbursed expenses. The family may be a participant in a federal, state or local program that provides child care for the family free-of-charge, or reimburses the family for all or part of their child care expenses. To the extent that child care and child care expenses are provided or paid for on behalf of the family, these expenses would not be eligible to be used as deductions. PHA documentation is critical. The PHA should maintain a clear record that the expenses are not being paid by another party but are paid by the family. Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted.

Only child care expense that are necessary to enable a member of the family to seek employment, be gainfully employed or to further his/her education are eligible. Child care expenses for any other purpose are not eligible as a deduction. Of course, a PHA could interpret these terms broadly. Many activities could fall under the umbrella of “enabling a family member to actively seek employment or be gainfully employed” or “enabling a family member to further his/her education.” Again, PHA policy should clarify the types of employment-related or education-related activities that might qualify for the child care expenses deduction.

Line	Instructions
<b>15.a. -</b>  <b>15.e.</b>	<p>Use the table as necessary to record and calculate <b>child care expenses</b> incurred by the family. Indicate the name of each family member in the household that incurred child care expenses. For each family member, give a description of the child care expense. This description should note the type of expense, reason for the expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process.</p> <p>For each type of expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense.</p> <p>The final column on the table is used to record the “annual” amount for each type of expense – the amount the family member is projected to pay for this child care over the 12-month period following the effective date of the admission or reexamination.</p>



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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
16.	<p>In the space provided, record the total of all amounts in the <b>Annual Expense Amount</b> column. Note that this amount will <u>not necessarily</u> be the same amount as recorded on HUD-50058, Line 8t. The calculations on <b>Line 17.a.</b> through <b>Line 20.</b> will establish the amount that should be recorded on HUD-50058, Line 8t.</p>
17.a.	<p>Determine if the family includes <u>any</u> family members who are under age 13. Refer to the Tenant File Review Checklist table under section <b>A. Family Composition</b>, where the date of birth of each family member was confirmed. If “Yes”, proceed to <b>Line 17.b.</b></p> <p>Note that these expenses are <u>child</u> care expenses - for the care of children, not adults. The definition clarifies this to mean children <u>under the age of 13</u>. If the family does <u>not</u> include any members who are under age 13, then the family would <u>not</u> qualify for any deduction for child care expenses.</p> <p>Expenses for the care of anyone in the family age 13 and over could possibly be covered under the deduction given for unreimbursed disability assistance expenses, as discussed in the previous section. However, in this case, note the difference - deductions given for unreimbursed disability assistance expenses are allowable only to the extent necessary to enable a family member to be employed (no mention of furthering education).</p> <p>If the answer is “No”, skip <b>Lines 17.b.</b> through <b>19.b.</b>, enter \$0 in the space provided on <b>Line 20.</b>, then proceed to <b>Line 21.a.</b></p>
17.b.	<p>Where the family includes members who are under age 13, record the annual amount of expenses (if any) that the family incurs for the care of these children, to the extent that these expenses are not reimbursed by an outside source <u>and</u> are “reasonable.” If you used the table on <b>Line 15.a.</b> through <b>Line 16.</b> to calculate annual child care expenses, refer to <b>Line 16.</b> of that table. Otherwise, identify annual child care expenses from the tenant file record.</p> <p>Where the family does <u>not</u> incur any expenses for the care of members who are under age 13, skip <b>Line 17.b.</b> through <b>Line 19.b.</b>, enter \$0 in the space provided on <b>Line 20.</b> Then proceed to <b>Line 21.a.</b></p>
18.a.	<p>Where the family includes any members who are under age 13 <u>and</u> incurs any expenses for the care of these children, determine whether the family includes any family members who are employed.</p> <p>If the HUD reviewer completed the Annual Income table, refer to <b>Line 1.a.</b> through <b>Line 1.k.</b> on that table, where types of income and income amounts were identified for every family member. Otherwise, refer to the tenant file record. Where the family includes any members who are employed, answer “Yes” and proceed to <b>Line 18.b.</b></p> <p>If the family includes any members who are under age 13, but does <u>not</u> include any family member(s) who are employed, then answer “No”, skip <b>Lines 18.b.</b> through <b>18.d.</b>, then proceed to <b>Line 19.a.</b></p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
18.b.	<p>Where the family includes any members who are under age 13, incurs expenses for the care of these children, <u>and</u> includes any family member(s) who are employed, the PHA will need to determine if the child care expenses enable the family member(s) to be employed. Note that child care expenses may be used to enable <u>any</u> family member to be employed, not just the head of the family or the spouse.</p> <p>The HUD reviewer should examine the PHA’s tenant file documentation for a clear record of these expenses and the connection between the expenses and enabling a family member to be employed. Where more than one family member is employed, review the PHA’s approach to determining which member or members <u>are</u> enabled to be employed by the expenses.</p> <p>If the answer is “Yes”, proceed to <b>Line 18.c.</b> If the answer is “No”, skip <b>Line 18.c.</b> and <b>Line 18.d.</b>, then proceed to <b>Line 19.a.</b></p>
18.c.	<p>Record the amount of employment income enabled by the child care expenses. Again, PHA documentation should be clear on the connection, or lack of connection, between child care expenses and employment of a family member.</p> <p>If the HUD reviewer completed the Annual Income table, refer to <b>Line 1.a.</b> through <b>Line 1.k.</b> on that table, where types of income and income amounts were identified for every family member. Otherwise, refer to the tenant file record.</p>
18.d.	<p>Enter the amount of unreimbursed, reasonable child care expenses from <b>Line 17.b.</b>, not to exceed the amount on <b>Line 18.c.</b></p> <p>Child care expenses incurred to enable a family member to work should not exceed the amount of employment income earned. A PHA could give a deduction for child care expenses up to, but not in excess of, the amount of employment income earned.</p>
19.a.	<p>Determine whether the family includes any family members who are furthering their education. Again, PHA documentation is critical. The PHA should maintain a clear record of family member enrollment/attendance at an educational institution, days attended, hours, etc. PHA policies should outline verification and documentation criteria for “furthering education.”</p> <p>If the answer to the question on this <b>Line 19.a.</b> is “Yes”, proceed to <b>Line 19.b.</b> If the answer to the question on this <b>Line 19.a.</b> is “No”, skip <b>Line 19.b.</b> and proceed to <b>Line 20.</b></p>
19.b.	<p>The PHA will need to determine if the child care expenses for the care of children under age 13 are necessary to enable the family member(s) to further their education. Note that child care expenses may be used to enable <u>any</u> family member(s) to further their education, not just the head of the family or the spouse.</p> <p>The HUD reviewer should examine PHA tenant file documentation for a clear record of these expenses and the connection between the expenses and enabling a family member to further their education. Based on file documentation, determine if child care expenses enable the family member(s) to further their education. Proceed to <b>Line 20.</b></p>

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**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
20.	<p>On this line, calculate the final <b>Child Care Expenses Deduction</b>. The amount we use for the deduction will depend on the results of our prior calculations and determinations.</p> <p><b>1<sup>st</sup>:</b> Where the answers to the questions on both <b>Line 18.a.</b> and <b>Line 18.b.</b> are “Yes”, this means that the family has an employed family member and that the child care costs incurred by the family enable a family member to be employed. In this instance, the amount of the deduction given for child care expenses is “capped” by the amount of income earned by the family member who is enabled to be employed. Enter the amount from <b>Line 18.d.</b> in the space provided on this line.</p> <p><b>2<sup>nd</sup>:</b> Where the answer to the question on <b>Line 18.a.</b> is “No”, but the answers to the questions on <b>Line 19.a.</b> and <b>Line 19.b.</b> are “Yes”, this means that the family does <u>not</u> have an employed family member but <u>does</u> have a family member furthering their education, <u>and</u> that the child care costs incurred by the family enable a family member to further their education. In this instance, there is no employment income to “cap” the amount of the deduction given for child care expenses. So, the child care expenses deduction is equal to the amount of the unreimbursed, reasonable expenses from <b>Line 17.b.</b></p> <p>Cross check with HUD-50058, line 8t.</p>

**Public Housing only:** PHAs may adopt, by written policy, *permissive* deductions from Annual Income to determine Adjusted Income. Permissive deductions are one of many strategies that the PHA may adopt as an *alternative* approach to dwelling rents. Adoption of permissive deductions is at the sole discretion of the PHA, provided the amounts are not already required to be deducted from Annual Income and are not reimbursed to the family from some other source. While the PHA may elect to give permissive deductions for any number of good reasons, all of these deductions will mean reduced rents, and it is the PHA that must absorb any resulting reduction in rents.

Review the PHA’s Admissions and Occupancy policies and determine if the PHA has adopted any *permissive* deductions from Annual Income. Obviously, the specific permissive deduction, the deduction amount and eligibility for the deduction will vary widely from PHA to PHA.

Line	Instructions
21.a. - 21.c.	<p>Where the PHA has adopted permissive deductions from Annual Income, use the table as a worksheet to record and calculate all permissive deductions for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process.</p> <p>Indicate the name of each family member in the household that has been awarded a permissive deduction. For each family member, offer a brief description of the type of permissive deduction awarded, based on PHA policy. For each type of deduction, indicate the date(s) of the source documentation used to verify the type of deduction and any circumstances related to the deduction. Indicate the dollar amount of each permissive deduction. The determinations used by the PHA are also recorded on the HUD-50058, lines 8b. through 8e.</p>
22.	<p>Total of all amounts in the <b>Annual Amount</b> column and record the results in the space provided as <b>PH: Total Permissive Deductions</b>. Cross check with the amount recorded on the HUD-50058, line 8e.</p>

**D. Adjusted Income Worksheet**

**Adjusted Income Instructions (continued):**

Line	Instructions
23.	Record the family's <b>Total Annual Income</b> . If you used the Annual Income table to calculate Annual Income, refer to <b>Line 4.</b> of that table. Otherwise, identify Annual Income from the tenant file record.
24.	<p>Total all of the deductions given to the family, including:</p> <ul style="list-style-type: none"> <li>• <b>Dependent Deduction (Line 1.b.)</b></li> <li>• <b>Elderly/Disabled Family Deduction (Line 2.b.)</b></li> <li>• <b>Medical/Disability Assistance Expenses Deduction (Line 14.)</b></li> <li>• <b>Child Care Expenses Deduction (Line 20.),</b> and</li> <li>• <b>Permissive Deductions (Line 22.)</b></li> </ul> <p>Enter the total in the space provided on this line. Cross check the total with the PHA's calculations and HUD-50058, line 8x.</p>
25.	<p>Subtract the <b>Total All Deductions</b> on <b>Line 24.</b> from the <b>Total Annual Income</b> on <b>Line 23.</b> to arrive at <b>Total Adjusted Income</b>.</p> <p>Cross check the total with the PHA's calculations and HUD-50058, line 8y.</p>

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**E. Public Housing Rent Worksheet**

**Income-based Rent:**

<b>Income-Based TTP</b>	1.a.	Monthly Income (Annual Income ÷ 12):	\$		
	b.	10% of Monthly Income (Line 1.a. X 0.10):	\$		
	c.	Monthly Adjusted Income (Adjusted Income ÷ 12):	\$		
	d.	30% of Monthly Adjusted Income (Line 1.c. X 0.30):	\$		
	e.	Welfare Rent (if applicable):	\$		
	f.	Minimum Rent:	\$		
	g.	Ceiling Rent (if applicable):	\$		
	2.	<b>TOTAL TENANT PAYMENT (TTP) based on traditional income-based method:</b>		\$	
		• Highest of Line 1.b., 1.d., 1.e., 1.f., not to exceed Line 1.g.			
3.	<b>TOTAL TENANT PAYMENT (TTP) based on alternative income-based method:</b>		\$		

<b>Income-based Prorated TTP</b>	4.	Maximum Rent established for this unit type:	\$	
	5.	Family Maximum Subsidy (Line 4. minus Line 2. or Line 3.):	\$	
	6.a.	Total Number of family members:		
	b.	Number of family members eligible for prorated rent subsidy:		
	7.	Total Rent Subsidy for which family is eligible:	\$	
		• (Line 5. ÷ Line 6.a.) x Line 6.b.		
8.	<b>TOTAL TENANT PAYMENT (TTP) for a "Mixed" family:</b>		\$	
	• Line 4. minus Line 7.			

<b>Income-based Tenant Rent</b>	9.	TTP based on appropriate method (Line 2., Line 3., or Line 8.):	\$	
	10.	Utility Allowance:	\$	
	11.	<b>Income-based TENANT RENT:</b>		\$
		• Line 9. minus Line 10. If result is negative, enter \$0 and go to Line 12.		
12.	<b>UTILITY REIMBURSEMENT (Amount by which Line 10. exceeds Line 9.):</b>		\$	

**Flat Rent**

13.	<b>Flat Rent</b> applicable to this dwelling unit, based on PHA Flat Rent schedule:	\$
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<b>Prorated Flat Rent</b>	14.	Maximum Rent established for this unit type:	\$	
	15.	Family Maximum Subsidy (Line 14. minus Line 13.):	\$	
	16.a.	Total Number of family members:		
	b.	Number of family members eligible for prorated rent subsidy:		
	17.	Total Rent Subsidy for which family is eligible:	\$	
		• (Line 15. ÷ Line 16.a.) x Line 16.b.		
18.	<b>Flat Rent</b> for a "Mixed" family (Line 14. minus Line 17.):		\$	

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## E. Public Housing Rent Worksheet

### Public Housing Rent Worksheet Instructions

Public housing tenant families are given a choice of paying either an **Income-based Rent** or a **Flat Rent** (not based on income), both at the time of admission and at the time of annual reexamination. At the time of annual reexamination, a tenant family may “switch” from their current rent method to the alternative rent method

For those families choosing an **Income-based Rent**, the first steps in computing rent are to compute Annual Income and Adjusted Income (covered in previous sections of the checklist). The actual income-based rent methodology used by the PHA can be either the “*traditional*” method (i.e, 30% of Adjusted Income / 10% of Annual Income / Welfare Rent), or an “*alternative*” method, developed by the PHA. Whatever the method, an income-based rent cannot exceed the rent that would be calculated under the traditional method.

Income-based rents must be no lower than a PHA-established minimum rent, and may also be “capped” on the upper end by a PHA-established ceiling rent.

For those families choosing a **Flat Rent**, rent is based on a flat rent schedule for all units, developed by the PHA, based on comparability with the local rental market. The PHA is also required to compute an income-based rent, where necessary to permit the family to compare the rents based on the two methods and make an informed choice. The family must provide updated income information in order for the PHA to make the calculation.

Between the time of admission and the family’s first annual reexamination, and between regularly scheduled annual reexaminations, the family paying a flat rent may choose to “switch” from the flat rent to the income-based rent. Under these circumstances, the PHA should conduct an interim reexamination for the family in order to establish the income-based rent. Again, the family must provide updated income information in order for the PHA to make the calculation.

For either rent method, income-based or flat, the rent may be “prorated” for a family that includes both members with citizenship or eligible immigration status and members without citizenship or eligible immigration status.

Because of the great flexibility given PHAs in designing their approach to tenant rent, the HUD reviewer will need to examine the PHA Plan and Admissions and Occupancy policies carefully to gain a thorough understanding of the PHA’s policies and procedures; whether the PHA uses an *alternative* method and, if so, how the method works, calculations made, percentages used; the PHA’s flat rent schedule, etc. PHA materials in the tenant file should give a clear picture of how any rent method was applied to this tenant family.

No standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. The HUD reviewer should identify any PHA-developed documents and materials used by the PHA to calculate rent, including computer software programs.

The PHA may also maintain a copy or a portion of the form HUD-50058 in the tenant file. Remember that that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts. In this respect, the tenant file review process is more than an exercise in checking math.

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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

**Line 1.a.** through **Line 12.** are applicable only to a family that has elected to pay an **Income-based Rent**. Where the family has elected to pay a **Flat Rent**, skip **Line 1.a.** through **Line 12.** and proceed to **Line 13.**

Use **Line 1.a.** through **Line 3.** to compute **Total Tenant Payment (TTP)**. **Line 1.a.** through **Line 2.** compute TTP based on the *traditional* method. **Line 3.** asks for TTP computed via the PHA *alternative* method (if any).

Line	Instructions
1.a.	<b>Monthly Income</b> is unadjusted income. Compute Monthly Income by dividing Annual Income by <b>12</b> . If you used the Annual Income table on the <b>Annual Income and Assets Worksheet</b> to calculate Annual Income, refer to <b>Line 4.</b> of that table. Otherwise, identify Annual Income from the tenant file record. Insert Monthly Income in the space provided on this line. Cross check this amount with HUD-50058, line 9a.
1.b.	Compute 10% of Monthly Income by multiplying the result on <b>Line 1.a.</b> times <b>0.10</b> . Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9c.
1.c.	Compute <b>Monthly Adjusted Income</b> by dividing Adjusted Income by 12. If you used the <b>Adjusted Income Worksheet</b> to compute Adjusted Income, refer to <b>Line 25.</b> of that worksheet. Otherwise, identify Adjusted Income from the tenant file record. Insert Monthly Adjusted Income in the space provided on this line. Cross check this amount with HUD-50058, line 9d.
1.d.	Compute 30% of Monthly Adjusted Income by multiplying the result on <b>Line 1.c.</b> times <b>0.30</b> . Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9f.
1.e.	<b>Welfare Rent</b> is only applicable where the family is receiving welfare assistance and the welfare assistance agency specifically designates a portion of the assistance for shelter and utilities. This designated portion may also be adjusted by the Welfare Agency in accordance with the family's actual cost of shelter and utilities. Welfare Rent is used in only a limited number of areas nationwide.  Insert the Welfare Rent figure in the space provided on this line. If none, insert \$0. Cross check this amount with HUD-50058, line 9g.
1.f.	PHAs must adopt a <b>Minimum Rent</b> policy for public housing units. The minimum rent established by the PHA may range anywhere from \$0 to \$50. The minimum rent policy is outlined in the PHA's Admissions and Occupancy Policies. Insert the minimum rent amount in the space provided on this line. Cross check with HUD-50058, line 9h. Where the PHA "waived" Minimum Rent for this family, insert \$0.
1.g.	Some PHAs may adopt <b>Ceiling Rents</b> which serve as a "cap" on public housing income-based rents, preventing income-based rents (specifically, TTP) from rising above a certain level. Ceiling rents, if used, should be adopted by policy and listed in a ceiling rent schedule.  Review the PHA's Admissions and Occupancy Policies and determine if the PHA uses ceiling rents. If so, determine if the PHA has used a ceiling rent to "cap" the income-based rent for this tenant family. Record the ceiling rent amount in the space provided. Ensure that the correct ceiling rent was used. Cross check with HUD-50058, lines 10c.



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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

Line	Instructions
2.	<p>Compute the traditional, income-based <b>Total Tenant Payment (TTP)</b> for this family, based on the <u>larger</u> of <b>Line 1.b.</b>, <b>Line 1.d.</b>, <b>Line 1.e.</b> or <b>Line 1.f.</b>, but not to exceed the ceiling rent cap (if any) imposed by <b>Line 1.g.</b></p> <p>Insert TTP in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and (if capped by ceiling rent) with HUD-50058, line 10d.</p>
3.	<p>Because of the significant flexibility given to PHAs in the development of an <i>alternative</i> income-based rent system, there is no single approach or process that will apply to all PHAs in all situations. Where the PHA has adopted an <i>alternative</i> income-based rent method, the HUD reviewer will need to carefully examine the PHA's Admissions and Occupancy policies to fully understand the PHA's method. PHA-developed materials, worksheets, computer software, and other tools used by the PHA to compute an alternative income-based rent will also be critical.</p> <p>Where the PHA has adopted an <i>alternative</i> income-based rent method, determine the <b>Total Tenant Payment (TTP)</b> computed via this <i>alternative</i> method. Enter this amount in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and (if capped by ceiling rent) with HUD-50058, line 10d.</p>

**Line 4.** through **Line 8.** are applicable only to circumstances where the family is a "mixed" family, eligible for prorated assistance, and is paying an income-based **Total Tenant Payment (TTP)** determined by either the *traditional* method or by a PHA *alternative* method.

Any family that includes both members with citizenship or eligible immigration status and members without citizenship or eligible immigration status is a "mixed" family, eligible for prorated assistance. Where the family is not a "mixed" family and is paying an income-based rent, proceed to **Line 9.**

Line	Instructions
4.	<p>Enter the <b>Maximum Rent</b> established by the PHA for this type of unit, in the space provided on this line. Cross check with HUD-50058, lines 10h.</p> <p>PHAs should maintain documentation on the calculation of Maximum Rent for various unit sizes. To calculate Maximum Rent, the PHA should list all of the TTPs paid by all of the tenants in all of the units of this particular size in the PHA's jurisdiction. Generally, this should produce a wide range of TTPs, from low dollar amounts to high dollar amounts. The PHA would then identify the specific TTP that falls at the 95<sup>th</sup> percentile – in other words, the specific TTP where 95% of the other TTPs are <u>less than</u> the chosen TTP and 5% of the other TTPs are <u>more than</u> the chosen TTP. This chosen TTP is the <b>Maximum Rent</b>.</p> <p>NOTE that this is <u>not</u> the same as averaging all of the TTPs, then computing 95% of that average. For more guidance, refer to HUD Guidebook 7465.7: <u>Restriction on Assistance to Noncitizens</u>.</p>

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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

Line	Instructions
5.	<p>Compute the <b>Family Maximum Subsidy</b> for this family. This figure is determined by first identifying the family's income-based TTP, computed by whatever method – <i>traditional (Line 2.)</i> or <i>alternative (Line 3.)</i>. The TTP is then subtracted from the Maximum Rent (computed on <b>Line 4.</b>). The result is the <b>Family Maximum Subsidy</b>.</p> <p>Enter this amount in the space provided on this line. Cross check with HUD-50058, lines 10i.</p>
6.a	<p>Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does <u>not</u> include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the number of family members.</p> <p>Enter this number in the space provided on this line. Cross check with HUD-50058, lines 10k.</p>
6.b.	<p>Of the total number of family members identified on <b>Line 6.a.</b>, identify the number of members that are <u>eligible</u> for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is "pending." Again, refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status.</p> <p>Enter this number in the space provided on this line. Cross check with HUD-50058, lines 10j.</p>
7.	<p>Compute of the <b>Total Rent Subsidy</b> for which this "mixed" family is eligible. Take the Family Maximum Subsidy (<b>Line 5.</b>), divide this number by the total number of family members in the household (<b>Line 6.a.</b>), then multiply the result by the total number of eligible family members (<b>Line 6.b.</b>).</p> <p>Enter the result in the space provided on this line. Cross check with HUD-50058, line 10n.</p>
8.	<p>Compute the <b>Total Tenant Payment (TTP)</b> for this "mixed" family. Take the Maximum Rent for this unit (<b>Line 4.</b>) and subtract the Total Rent Subsidy for which this "mixed" family is eligible (<b>Line 7.</b>).</p> <p>Enter amount in the space provided on this line. Cross check with HUD-50058, line 10p.</p>

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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

**Line 9.** through **Line 12.** of the checklist assess the calculation of actual **Tenant Rent** for any family paying an income-based rent (*traditional* or *alternative*). Tenant Rent is the actual amount of rent the family will pay to the PHA for the unit. The Tenant Rent may be different from the TTP if the family is responsible for paying some or all of the utilities at the unit.

Line	Instructions
9.	<p>Identify the family’s income-based TTP, computed by whatever method was appropriate – <i>traditional</i> non-prorated (<b>Line 2.</b>), <i>alternative</i> non-prorated (<b>Line 3.</b>), or prorated (<b>Line 8.</b>). Enter this number in the space provided on this line.</p> <p>Cross check with HUD-50058, line 10a. (for a non-prorated rent) or line 10p. (for a prorated rent). Where a ceiling rent was used to “cap” the non-prorated income-based rent for this tenant family, cross check with HUD-50058, line 10d.</p>
10.	<p>Where the family is responsible for paying some or all of the utilities in the unit, identify the <b>Utility Allowance</b> provided to this family for tenant-supplied utilities. If you used the <b><i>Dwelling Unit / Utility Allowance Worksheet</i></b> to calculate the family’s utility allowance, refer to the utility allowance table on that worksheet. Otherwise, identify the utility allowance from the tenant file record.</p> <p>Enter this number in the space provided on this line. Cross check with HUD-50058, line 10e. (for a non-prorated rent) or line 10r. (for a prorated rent). Where the family is <u>not</u> responsible for paying any utilities in the unit, the amount recorded for Utility Allowance should be \$0.</p>
11.	<p>Compute <b>Income-based Tenant Rent</b> by subtracting the appropriate Utility Allowance (<b>Line 10.</b>) from the TTP (<b>Line 9.</b>). If the result is a <u>positive</u> number, enter the result in the space provided on this line. Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent). Skip <b>Line 12.</b> and proceed to <b>Line 13.</b></p> <p>If the resulting Tenant Rent is a <u>negative</u> number (less than \$0), enter \$0 and proceed to <b>Line 12.</b></p>
12.	<p>Where the Utility Allowance exceeds the TTP, the tenant family is entitled to a <b>Utility Reimbursement</b> in the amount that the utility allowance exceeds the TTP.</p> <p>In the space provided on this line, enter the amount by which the appropriate Utility Allowance (<b>Line 10.</b>) exceeds the TTP (<b>Line 9.</b>). Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent).</p>

**Tenant File Review Checklist Worksheets**  
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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

**Line 13.** through **Line 18.** are applicable only to a family that has elected to pay a **Flat Rent**. Where the family has elected to pay an **Income-based Rent**, skip **Line 13.** through **Line 18.**

**Line 13.** is applicable to any family paying a Flat Rent. **Line 14.** through **Line 18.** are applicable only to a “mixed” family, eligible for prorated assistance, and paying a Flat Rent. NOTE that the HUD-50058 does not lead the PHA through the calculation of a prorated Flat Rent. However, the **Form HUD-50058 Instruction Booklet, Appendix III**, includes a worksheet for computing prorated Flat Rent.

Line	Instructions
13.	<p>The PHA must have a <b>Flat Rent</b> schedule establishing flat rents for all of its units. Review this schedule and determine the flat rent applicable to this dwelling unit.</p> <p>Record this amount in the space provided on this line. Cross check with HUD-50058, line 10b.</p>
14.	<p>Enter the <b>Maximum Rent</b> established by the PHA for this type of unit, in the space provided on this line. (NOTE: This is the same determination as was made on <b>Line 4.</b>).</p> <p>PHAs should maintain documentation on the calculation of Maximum Rent for various unit sizes. To calculate Maximum Rent, the PHA should list all of the TTPs paid by all of the tenants in all of the units of this particular size in the PHA’s jurisdiction. Generally, this should produce a wide range of TTPs, from low dollar amounts to high dollar amounts. The PHA would then identify the specific TTP that falls at the 95<sup>th</sup> percentile – in other words, the specific TTP where 95% of the other TTPs are <u>less than</u> the chosen TTP and 5% of the other TTPs are <u>more than</u> the chosen TTP. This chosen TTP is the <b>Maximum Rent</b>.</p> <p>NOTE that this is <u>not</u> the same as averaging all of the TTPs, then computing 95% of that average. For more guidance, refer to HUD Guidebook 7465.7: <u>Restriction on Assistance to Noncitizens</u>.</p>
15.	<p>Compute the <b>Family Maximum Subsidy</b> for this family. This figure is determined by first identifying the Flat Rent (<b>Line 13.</b>) for the unit. The Flat Rent is then subtracted from the Maximum Rent (<b>Line 14.</b>). The result is the <b>Family Maximum Subsidy</b>.</p> <p>Enter this amount in the space provided on this line.</p>
16.a.	<p>Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does <u>not</u> include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the number of family members. (NOTE: This is the same determination as was made on <b>Line 6.a.</b>).</p> <p>Enter this number in the space provided on this line.</p>

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**E. Public Housing Rent Worksheet**

**Public Housing Rent Worksheet Instructions (continued)**

Line	Instructions
16.b.	<p>Of the total number of family members identified on <b>Line 16.a.</b>, identify the number of members that are <u>eligible</u> for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is “pending.” Again, refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status. (NOTE: This is the same determination as was made on <b>Line 6.b.</b>)</p> <p>Enter this number in the space provided on this line.</p>
17.	<p>Compute the <b>Total Rent Subsidy</b> for which this “mixed” family is eligible. Take the Family Maximum Subsidy (<b>Line 15.</b>), divide this number by the total number of family members in the household (<b>Line 16.a.</b>), then multiply the result by the total number of eligible family members (<b>Line 16.b.</b>)</p> <p>Enter the result in the space provided on this line.</p>
18.	<p>Compute the <b>Flat Rent</b> for this “mixed” family. Take the Maximum Rent for this unit (<b>Line 14.</b>) and subtract the Total Rent Subsidy for which this “mixed” family is eligible (<b>Line 17.</b>)</p> <p>Enter this amount in the space provided on this line. This amount should have been entered on HUD-50058, line 10b., as the “Unit’s flat rent.”</p>

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**F. Section 8 HCV Rent and HAP Worksheet**

**Total Tenant Payment (TTP)**

1.a.	Monthly Income (Annual Income ÷ 12):	\$	
b.	10% of Monthly Income (Line 1.a. X 0.10):	\$	
c.	Monthly Adjusted Income (Adjusted Income ÷ 12):	\$	
d.	30% of Monthly Adjusted Income (Line 1.c. X 0.30):	\$	
e.	Welfare Rent (if applicable):	\$	
f.	Minimum Rent:	\$	
g.	"Enhanced Voucher" Minimum Rent (if applicable):		
2.	<b>TOTAL TENANT PAYMENT (TTP)</b>	\$	

• Highest of Line 1.b., 1.d., 1.e., 1.f. or 1.g.

**Payment Standard**

**Recent Admission / Mover / Portability-In / Enhanced Voucher Family:**

3. Payment Standard : \$

**Reexamination Family:**

		Yes	No	Unclear
4.	<u>Current</u> Payment Std. based on:			
	a. actual unit size:	\$		
	b. subsidy std.:	\$		
5.	<u>Prior</u> Payment Std. based on:			
	a. actual unit size:	\$		
	b. subsidy std.:	\$		
6.a.	Based on actual unit size – <u>current</u> Pay. Std. <i>increased</i> or <i>remained the same</i> over <u>prior</u> Pay. Std.?			
b.	If "Yes", record <u>Current</u> reexam Payment Std., based on actual unit size, from <b>Line 4.a.</b>	\$		
c.	If "No", record <u>Prior</u> reexam Payment Std., based on actual unit size, from <b>Line 5.a.</b>	\$		
7.a.	Based on subsidy std. – <u>current</u> Pay. Std. <i>increased</i> or <i>remained the same</i> over <u>prior</u> Pay. Std.?			
b.	If "Yes", record <u>Current</u> reexam Payment Std., based on subsidy std., from <b>Line 4.b.</b>	\$		
c.	If "No", record <u>Prior</u> reexam Payment Std., based on subsidy std., from <b>Line 5.b.</b>	\$		

8. Payment Standard : \$

**Gross Rent and Total HAP**

9.	Rent to Owner:	\$	
10.	Utility Allowance:	\$	
11.	<b>Gross Rent (Line 9. + Line 10.):</b>	\$	
12.a.	Payment Standard (Line 3. or Line 8.) minus TTP (Line 2.):	\$	
b.	Gross Rent (Line 11.) minus TTP (Line 2.):	\$	
c.	<b>Total Housing Assistance Payment (HAP) = Lowest of Line 12.a. or Line 12.b. :</b>	\$	

**F. Section 8 HCV Rent and HAP Worksheet**

**Family Rent to Owner and HAP to Owner (Non-prorated)**

Recent Admission / Mover / Portability-In Family:

13.a.	40% of Monthly Adjusted Income ( Line 1.c. x 0.40):	\$
b.	Total Family Share of Rent = (Line 11. minus Line 12.c.) <= Line 13.a.	\$

Reexamination / Enhanced Voucher Family:

14.	Total Family Share of Rent = Line 11. minus Line 12.c.:	\$
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15.	HAP to Owner (Lowest of Line 9. or Line 12.c.):	\$
16.	Family Rent to Owner (Line 9. minus Line 15.):	\$
17.	Utility Reimbursement = Line 12.c. minus Line 15., not to exceed Line 10.:	\$

**Family Rent to Owner and HAP to Owner (Prorated)**

18.	Total Non-prorated HAP (Line 12.c.):	\$
19.a.	Total Number of family members:	
b.	Number of family members eligible for prorated rent subsidy:	
20.	Total Prorated HAP = (Line 19.b. ÷ Line 19.a.) X Line 18.:	\$
21.	Prorated Family Share of Rent (Line 11. minus Line 20.):	\$
22.	Prorated Family Rent to Owner (Line 21. minus Line 10.):	\$
23.	Prorated HAP to Owner:	\$

- Line 9. minus Line 22., if Line 22. is positive
- Line 9., if Line 22. is negative



**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions**

This worksheet checklist covers various calculations of rent and assistance payments which the PHA must make in the Section 8 Voucher program. This is a fairly detailed process, though not particularly complicated. The calculations are basic mathematical calculations. At different points in the process, the PHA makes various logical decisions, based on the numbers, which then lead the PHA on to the next set of calculations.

No standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. Most PHAs use some form of computer-based system or software application to calculate rent and HAP, based on figures entered by PHA staff. Remember that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts. In this respect, the tenant file review process is more than an exercise in checking math.

For purposes of the tenant file review, it's important for the HUD reviewer to understand how these calculations are made and not rely solely on the results generated through computer-based applications. By walking through the calculations, step-by-step, the HUD reviewer will get a clearer picture of the accuracy of the calculations and, more importantly, the key decision points in the process and why certain calculations are made in a certain manner. Ultimately, this will enable the HUD reviewer to better troubleshoot any PHA errors or misunderstandings and provide better technical assistance. In this respect, the rent and HAP review process should be more than simply an exercise in checking math.

**Housing Conversion Actions:** Certain voucher-assisted families may have received their housing voucher pursuant to a housing conversion action, such as a project-based preservation prepayment, a project-based owner opt-out, a HUD enforcement action or a HUD property disposition.

When a family receives a voucher in this manner, they may elect to stay in the project where they already reside (possibly the same unit) and use their voucher assistance in that project (note that certain restrictions apply in these circumstances). Where the family chooses to stay and is eligible to do so, the family may qualify for **enhanced** voucher assistance. This **enhanced** assistance may impact the payment standard applied to the family, the family's rent and the HAP payments made for the family.

Housing conversion actions and their relationship to Section 8 tenant-based assistance are thoroughly discussed in HUD Notice 2001-41 (HA), issued 11/14/2001. When reviewing a tenant file for a family receiving **enhanced** voucher assistance, refer to Notice 2001-41 for guidance on determining the appropriate family rent and HAP.

Line	Instructions
Use <b>Line 1.a.</b> through <b>Line 2.</b> to compute <b>Total Tenant Payment (TTP)</b> .	
<b>1.a.</b>	<b>Monthly Income</b> is unadjusted income. Compute Monthly Income by dividing Annual Income by <b>12</b> . If you used the Annual Income table on the <b>Annual Income and Assets Worksheet</b> to calculate Annual Income, refer to <b>Line 4.</b> of that table. Otherwise, identify Annual Income from the tenant file record. Insert Monthly Income in the space provided on this line. Cross check this amount with HUD-50058, line 9a.

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**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
1.b.	Compute 10% of Monthly Income by multiplying the result on <b>Line 1.a.</b> times <b>0.10</b> . Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9c.
1.c.	Compute <b>Monthly Adjusted Income</b> by dividing Adjusted Income by 12. If you used the <b>Adjusted Income Worksheet</b> to compute Adjusted Income, refer to <b>Line 25.</b> of that worksheet. Otherwise, identify Adjusted Income from the tenant file record. Insert Monthly Adjusted Income in the space provided on this line. Cross check this amount with HUD-50058, line 9d.
1.d.	Compute 30% of Monthly Adjusted Income by multiplying the result on <b>Line 1.c.</b> times <b>0.30</b> . Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9f.
1.e.	<p><b>Welfare Rent</b> is only applicable where the family is receiving welfare assistance and the welfare assistance agency specifically designates a portion of the assistance for shelter and utilities. This designated portion may also be adjusted by the Welfare Agency in accordance with the family’s actual cost of shelter and utilities. Welfare Rent is used in only a limited number of areas nationwide.</p> <p>Insert the Welfare Rent figure in the space provided on this line. If none, insert \$0. Cross check this amount with HUD-50058, line 9g.</p>
1.f.	PHAs must adopt a <b>Minimum Rent</b> policy for Section 8 HCV-assisted families. The minimum rent established by the PHA may range anywhere from \$0 to \$50. The minimum rent policy is outlined in the PHA’s Administrative Plan. Insert the minimum rent amount in the space provided on this line. Cross check with HUD-50058, line 9h. Where the PHA “waived” Minimum Rent for this family, insert \$0.
1.g.	<p>Families assisted with <b>enhanced</b> voucher assistance have a special statutory minimum rent requirement. The law requires that the family pay <u>no less than</u> the rent the family was paying on the date of the eligibility event for the project in question. (The eligibility event is the expiration date of the expiring project-based contract, in the case of owner opt-outs, and is the effective date of the prepayment of the mortgage or voluntary termination of the mortgage insurance, in the case of preservation prepayments). If the family’s income subsequently decreases to significant extent from the gross income on the date of the eligibility event, the minimum rent is recalculated. The <b>enhanced</b> voucher minimum rent only applies if the family remains in the project, and does not apply if the family takes the voucher assistance and moves from the project.</p> <p>If the tenant file under review is a tenant family receiving <b>enhanced</b> voucher assistance, enter the <b>Enhanced Voucher Minimum Rent</b> in the space provided. Cross check with HUD-50058, line 9i.</p>
2.	<p>Compute the <b>Total Tenant Payment (TTP)</b> for this family, based on the <u>larger</u> of <b>Line 1.b.</b>, <b>Line 1.d.</b>, <b>Line 1.e.</b> <b>Line 1.f.</b>, or <b>Line 1.g.</b></p> <p>Insert TTP in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and with HUD-50058, line 12r.</p>

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line 3. through Line 8. address **Payment Standards**.

Each PHA establishes a schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published Fair Market Rent (FMR) schedule for the area(s) in which the PHA has jurisdiction. FMRs are based on either the 40<sup>th</sup> or 50<sup>th</sup> percentile of rents charged for standard rental housing in the FMR area. A PHA may set its payment standard amounts anywhere from 90% to 110% of the published FMRs, or higher or lower with HUD approval. The level at which payment standard amounts are set will directly affect the amount of subsidy a family will receive and the amount of rent they will pay

In general, the payment standard amount applied to a Section 8 HCV family must be the lower of:

- Payment standard amount appropriate for the family's size and composition, based on the PHA's subsidy standards, or
- Payment standard amount appropriate for the size of the unit actually leased by the family.

Payment standards will vary, based on whether the unit is a special housing type:

- a. For an individual receiving HCV assistance in a **Single Room Occupancy (SRO)** unit, the payment standard used is 75% of the zero (0) bedroom payment standard on the PHA's schedule. If the unit is in an "exception" rent area, the payment standard used is 75% of the zero (0) bedroom "exception" payment standard
- b. For any family receiving voucher assistance in a **Congregate Housing** unit:
  - If there is only one (1) room in the private living area for the assisted family, the payment standard used is the zero (0) bedroom payment standard on the PHA's schedule.
  - If there are two (2) or more rooms in the private living area for the assisted family, the payment standard used is the one (1) bedroom payment standard on the PHA's schedule.
- c. For any family receiving voucher assistance in a **Group Home**, the payment standard used is the lower of:
  - The payment standard for the family unit size, based on the PHA's subsidy standards, or
  - The family's pro-rata share of payment standard based on the size of the entire Group Home
- d. For any family receiving voucher assistance in **Shared Housing**, the payment standard used is the lower of:
  - The payment standard for the family unit size, based on the PHA's subsidy standards, or
  - The family's pro-rata share of payment standard based on the Shared Housing unit size
- e. For any family receiving voucher assistance in a **Cooperative Housing** unit, the payment standard used is the payment standard applicable to the Cooperative Housing unit size, based on the PHA's schedule.
- f. For any family receiving voucher assistance to lease a **Manufactured Home Space**, the payment standard is drawn from a separate schedule developed by the PHA specifically for Manufactured Home spaces. This separate schedule establishes payment standards at 90% to 110% of the Fair Market Rents (FMRs) for Manufactured Home spaces (which are set at 40% of the normal two bedroom FMRs).

Note that, for any family receiving **enhanced** voucher assistance, a special payment standard is used. For such families, the payment standard is the Gross Rent for the unit, regardless of whether the Gross Rent exceeds the PHA's normal payment standard, based on the PHA's schedule.

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

If the tenant family under review is a **reexamination** family, the HUD reviewer will need to determine if the PHA has taken any of the following actions since the previous reexamination (or admission, if this is the first reexamination):

- The PHA has increased the Payment Standard applicable to this family or area;
- The PHA has decreased the Payment Standard applicable to this family or area;
- The PHA has adopted new Subsidy Standards governing the size of unit appropriate for the family, resulting in a Payment Standard that is higher than the family's previous Payment Standard.
- The PHA has adopted new Subsidy Standards governing the size of unit appropriate for the family, resulting in a Payment Standard that is lower than the family's previous Payment Standard.

If so, there are specific requirements governing the applicability of new payment standards to the family. Use **Line 4.** through **Line 8.** to compute the appropriate payment standard for any **reexamination** family.

Use **Line 3.** to record the appropriate payment standard to use for any family that is a **recent admission** family, a **mover** family (moving with continued assistance within the PHA's jurisdiction), a **portability-in** family, or for a family receiving **enhanced** voucher assistance.

Line	Instructions
3.	<p><b>Recent Admission / Mover / Portability-In / Enhanced Voucher family:</b></p> <p>Review the family's composition and characteristics (refer to <b>Section A. Family Composition</b> of the tenant file review checklist) and identify the size of the unit the family qualified for at admission, based on the PHA's subsidy standards. This information should be recorded on the family's <u>Housing Voucher</u> (HUD-52646) and other PHA file materials. Using the PHA's Payment Standard schedule, determine the payment standard appropriate to this unit size.</p> <p>Review the HQS inspection report and identify the actual number of bedrooms in the unit occupied by the family (refer to <b>Section C. Dwelling Unit</b> of the tenant file review checklist). This information should be recorded on the <u>Request for Tenancy Approval</u> (HUD-52517). Using the PHA's Payment Standard schedule, determine the payment standard appropriate to this unit size.</p> <p>Compare the two payment standard amounts and select the <u>lower</u> of the two amounts.</p> <p>For a family receiving <b>enhanced</b> voucher assistance, select the payment standard that is equal to the Gross Rent of the unit (gross rent will be computed on <b>Line 11.</b>).</p> <p>Record the Payment Standard amount in the space provided on this line. Cross check with HUD-50058, line 12j.</p>

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**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
4.a.	<p><b>Reexamination family:</b></p> <p>Review the HQS inspection report and identify the actual number of bedrooms in the unit occupied by the family (refer to <b>Section C. Dwelling Unit</b> of the tenant file review checklist). Using the PHA's Payment Standard schedule which was in effect at the time of the <b>current</b> reexamination effective date, identify the payment standard appropriate to this unit size.</p> <p>Record this current payment standard in the space provided on this line.</p>
4.b.	<p>Review the family's composition and characteristics (refer to <b>Section A. Family Composition</b> of the tenant file review checklist) and identify the size of the unit the family qualified for, based on the PHA's subsidy standards in effect at the time of the <b>current</b> reexamination effective date. Using the PHA's Payment Standard schedule which was in effect at the time of the <b>current</b> reexamination effective date, determine the payment standard appropriate to this unit size.</p> <p>Record this current payment standard in the space provided on this line.</p>
5.a.	<p>Ensure that you have the PHA's Payment Standard schedule which was in effect at the time of the immediate <b>prior</b> reexamination effective date (or at the time of admission, if this is the first reexamination). From this Payment Standard schedule, identify the appropriate payment standard for the family, based on the actual size of the unit occupied by the family.</p> <p>Record this current payment standard in the space provided on this line.</p> <p>NOTE: Because this is a <b>Reexamination</b> family, the family should be occupying the same unit at the current reexamination as they were at the prior reexamination/admission. Therefore, the unit size for the prior reexamination/admission should be the same as recorded under <b>Section C. Dwelling Unit</b> of the tenant file review checklist.</p>
5.b.	<p>Ensure that you have the PHA's Subsidy Standard schedule which was in effect at the time of the immediate <b>prior</b> reexamination effective date. Using this Subsidy Standard schedule, identify the size of the unit the family qualified for under the applicable subsidy standard. Based on the size of the unit family qualified for, identify the appropriate payment standard for that unit size.</p> <p>Record this current payment standard in the space provided on this line.</p>
6.a.	<p>Compare the payment standard for the actual size of the unit occupied by the family from the <b>current</b> reexamination (<b>Line 4.a.</b>) with the payment standard for the actual size of the unit occupied by the family from the <b>prior</b> reexamination (<b>Line 5.a.</b>).</p> <p>Determine if the <b>current</b> payment standard amount <b>increased</b> or <b>remained the same</b>, relative to the <b>prior</b> payment standard amount. If the answer is "Yes", go to <b>Line 6.b.</b> If the answer is "No", go to <b>Line 6.c.</b></p>

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
6.b.	<p>Where the answer to the question on <b>Line 6.a.</b> is “Yes”, this would indicate that either:</p> <ul style="list-style-type: none"> <li>• The PHA had revised its Payment Standard schedule and the payment standard amount for this unit had <b>increased</b>, or</li> <li>• The PHA had revised its Payment Standard schedule but the payment standard amount for this unit had <b>remained the same</b>, or</li> <li>• The PHA had <u>not</u> revised its Payment Standard schedule and the payment standard amount for this unit had <b>remained the same</b>.</li> </ul> <p>In any event, if the answer to the question on <b>Line 6.a.</b> is “Yes”, copy the payment standard amount from <b>Line 4.a.</b> into the space provided on this line.</p>
6.c.	<p>Where the answer to the question on <b>Line 6.a.</b> is “No”, this would indicate that the PHA had revised its Payment Standard schedule and the payment standard amount for this unit had <b>decreased</b>.</p> <p>If the answer to the question on <b>Line 6.a.</b> is “No”, copy the payment standard amount from <b>Line 5.a.</b> into the space provided on this line.</p>
7.a.	<p>Compare the payment standard for the size of the unit family qualified for, based on subsidy standard, from the <b>current</b> reexamination (<b>Line 4b.</b>) with the payment standard for the size of the unit family qualified for, based on subsidy standard, from the <b>prior</b> reexamination (<b>Line 5b.</b>).</p> <p>Determine if the <b>current</b> payment standard amount <b>increased</b> or <b>remained the same</b>, relative to the <b>prior</b> payment standard amount. If the answer is “Yes”, go to <b>Line 7.b.</b> If the answer is “No”, go to <b>Line 7.c.</b></p>
7.b.	<p>Where the answer to the question on <b>Line 7.a.</b> is “Yes”, this would indicate that either:</p> <ul style="list-style-type: none"> <li>• The PHA had revised its Subsidy Standard schedule and that, based on the size of the unit the family qualified for, the payment standard amount for this family had <b>increased</b>, or</li> <li>• The PHA had revised its Subsidy Standard schedule but the payment standard amount for this family had <b>remained the same</b>, or</li> <li>• The PHA had <u>not</u> revised its Subsidy Standard schedule and the payment standard amount for this family had <b>remained the same</b>.</li> </ul> <p>In any event, if the answer to the question on <b>Line 7.a.</b> is “Yes”, copy the payment standard amount from <b>Line 4.b.</b> into the space provided on this line.</p> <p>NOTE: This determination assumes that the family’s size and composition have remained the same from the prior reexamination to the current reexamination. Where the family’s size and composition have <b>changed</b> from the prior reexamination to the current reexamination, and this change results in a different subsidy standard applicable to this family, then copy the copy the payment standard amount from <b>Line 4.b.</b> into the space provided on this line, regardless of whether that payment standard amount has <b>increased, remained the same</b> or <b>decreased</b>.</p>

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**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
7.c.	<p>Where the answer to the question on <b>Line 7.a.</b> is “No”, this would indicate that the PHA had revised its Subsidy Standard schedule and that, based on the size of the unit the family qualified for, the payment standard amount for this unit had <b>decreased</b>.</p> <p>If the answer to the question on <b>Line 7.a.</b> is “No”, copy the payment standard amount from <b>Line 5.b.</b></p> <p>NOTE: Again, this determination assumes that the family’s size and composition have remained the same from the prior reexamination to the current reexamination. Where the family’s size and composition have <u>changed</u> from the prior reexamination to the current reexamination, and this change results in a different subsidy standard applicable to this family, then do <u>not</u> record <u>any</u> amount on this <b>Line 7.c.</b> Instead, as instructed earlier, copy the payment standard amount from <b>Line 4.b.</b> into the space provided on <b>Line 7.b.</b>, regardless of whether that payment standard amount has <b>increased, remained the same</b> or <b>decreased</b>.</p>
8.	<p><b>1<sup>st</sup>:</b> Refer back to <b>Line 6b.</b> and <b>Line 6.c.</b> One of these two lines, but not both, should have a payment standard amount recorded. This is the payment standard amount appropriate to the <i>actual size of the unit occupied by the family</i>, to be used at the current reexamination.</p> <ul style="list-style-type: none"> <li>A basic program requirement is that, when the PHA lowers the payment standard applicable to the family’s actual unit size, this lower standard will <u>not</u> apply to families who have already leased units under the higher standard until they move to a new unit, have a change in family size or composition, <i>or at the <u>second</u> annual reexamination after the PHA lowers its payment standard.</i> So the PHA will not apply this lower payment standard if this is only the <u>first</u> reexamination after the standard was lowered.</li> </ul> <p><b>2<sup>nd</sup>:</b> Refer back to <b>Line 7.b.</b> and <b>Line 7.c.</b> One of these two lines, but not both, should have a payment standard amount recorded. This is the payment standard amount appropriate to the <i>size of the unit the family qualified for</i>, based on the subsidy standard, to be used at the current reexamination.</p> <ul style="list-style-type: none"> <li>A basic program requirement is that, when the PHA revises its Subsidy Standard schedule and this results in a <u>lower</u> payment standard applicable to the family’s size and composition, this lower standard will <u>not</u> apply to families who have already leased units under the higher standard until they move to a new unit, have a change in family size or composition, <i>or at the <u>second</u> annual reexamination after the PHA has revised its Subsidy Standard schedule.</i> So the PHA will not apply this lower payment standard if this is only the <u>first</u> reexamination after the Subsidy Standard was revised and the resulting payment standard was lowered.</li> </ul> <p><b>3<sup>rd</sup>:</b> Compare the payment standard amount recorded on <b>Line 6.b.</b> or <b>Line 6.c.</b> with the payment standard amount recorded on <b>Line 7.b.</b> or <b>Line 7.c.</b> Whichever payment standard amount is the <u>lower</u> of these two amounts, this is the payment standard amount to use for this family at the current reexamination when computing rent and Housing Assistance Payments.</p> <p>Record the Payment Standard amount in the space provided on this line. Cross check with HUD-50058, line 12j.</p>

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

**Line 9.** through **Line 12.c.** represent the calculation of the **Total Housing Assistance Payment (HAP)**, for which the owner of the unit is eligible. HAP is the lower of:

- The Payment Standard for the unit, minus the TTP
- The Gross Rent of the unit, minus the TTP.

Where the family is receiving voucher assistance in a special housing type unit, the following circumstances will impact the calculation of HAP:

- a. When calculating the Gross Rent for an individual receiving voucher assistance in a **Single Room Occupancy (SRO)** unit, the utility allowance used is 75% of the zero (0) bedroom utility allowance based on the PHA's schedule.
- b. When calculating HAP for a family receiving voucher assistance in a **Congregate Housing** unit, the Gross Rent amount is the shelter portion of the monthly housing expense. This amount includes utilities, but does not include food service.
- c. When calculating Gross Rent for a family receiving voucher assistance in a **Group Home**, the utility allowance used is the family's pro-rata share of the utility allowance based on the entire Group Home.
- d. When calculating Gross Rent for a family receiving voucher assistance in **Shared Housing**, the utility allowance used is the family's pro-rata share of the utility allowance based on the entire Shared Housing unit.
- e. When calculating Gross Rent for a family receiving voucher assistance in a **Cooperative Housing** unit, the Gross Rent equals the monthly unit "carrying" charge, plus the normal utility allowance based on the PHA's schedule.
- f. When calculating HAP for a family receiving voucher assistance to lease a **Manufactured Home Space**, the Gross Rent represents the amount paid for the manufactured home space rental and the utility allowance is based on a separate utility allowance schedule developed by the PHA specifically for manufactured home spaces.

Line	Instructions
9.	<p>Record the <b>Rent to Owner</b> in the space provided on this line. Rent to Owner is the full rent the owner is charging for the unit, including any utilities that the owner provides under the lease.</p> <p>For a <b>recent admission, mover, or portability-in</b> family, the rent that the owner proposed to charge for the unit should represent the "Rent to Owner" amount on the <u>Request for Tenancy Approval</u> (HUD-52517). If the PHA determined that the owner's proposed rent was not rent reasonable and the owner subsequently changed the rent amount, then the Rent to Owner will be this revised amount.</p> <p>For a <b>reexamination</b> family, if there had been an increase in the rent to the owner since the last reexamination (or admission, if this is the first reexamination), or if a rent increase was proposed concurrent with this reexamination, then the Rent to Owner should match this amount. Where there has been no increase in rent to owner, nor is a rent increase proposed, the Rent to Owner should be the same as the rent to owner from the last reexamination (or admission, if this is the first reexamination).</p> <p>Cross check with HUD-50058, line 12k</p>



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**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
10.	<p>Where the family is responsible for paying some or all of the utilities in the unit, identify the <b>Utility Allowance</b> provided to this family for tenant-supplied utilities. If you used the <b>Dwelling Unit / Utility Allowance Worksheet</b> to calculate the family's utility allowance, refer to the utility allowance table on that worksheet. Otherwise, identify the utility allowance from the tenant file record.</p> <p>Enter this number in the space provided on this line. Cross check with HUD-50058, line 12m. Where the family is <u>not</u> responsible for paying any utilities in the unit, the amount recorded for Utility Allowance should be \$0.</p>
11.	<p>Compute <b>Gross Rent</b> by adding the Rent to Owner (<b>Line 9.</b>) and the appropriate Utility Allowance (<b>Line 10.</b>) Enter the result in the space provided on this line. Cross check with HUD-50058, line 12p.</p>
12.a.	<p>Identify the payment standard used for the family – <b>Line 3.</b> for a <b>recent admission / mover / portability-in / enhanced voucher</b> family; <b>Line 8.</b> for a <b>reexamination</b> family.</p> <p>Note that, for a family receiving <b>enhanced</b> voucher assistance, the payment standard is the <u>Gross Rent</u> for the unit, regardless of whether the Gross Rent exceeds the PHA's normal payment standard, based on the PHA's schedule.</p> <p>Identify the TTP for the family (<b>Line 2.</b>).</p> <p>Subtract the TTP from the payment standard and record the result in the space provided on this line.</p>
12.b.	<p>Identify the Gross Rent for the unit (<b>Line 11.</b>).</p> <p>Identify the TTP for the family (<b>Line 2.</b>).</p> <p>Subtract the TTP from the Gross Rent and record the result in the space provided on this line.</p>
12.c.	<p>Record the <u>lowest</u> of the amounts from <b>Line 12.a.</b> or <b>Line 12.b.</b> This represents the <b>Total Housing Assistance Payment (HAP)</b>. Cross check with HUD-50058, line 12s.</p> <p>Note that, when calculating HAP for <b>enhanced</b> voucher assistance families, there will be no difference between the calculation of Payment Standard minus TTP and the calculation of Gross Rent minus TTP.</p>

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

The Family Share of Rent is the family's contribution toward the *Gross Rent* for the unit. The Family Share may be the same as the TTP or may be a higher amount, depending on the unit the family selects. Where the family leases a unit with a Gross Rent that is less than or equal to the Payment Standard, the Family Share will be the same as the TTP.

For a **recent admission**, **mover**, or **portability-in** family, where the family leases a unit with a Gross Rent that is greater than the Payment Standard, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard, but not to exceed the "maximum initial rent burden." The maximum initial rent burden imposes an upper limit on the amount of Family Share of Rent only at the initial leasing of a particular dwelling unit.

For a **reexamination** family, the determination of "maximum initial rent burden" does not apply. So, where a reexamination family leases a unit with a Gross Rent that is greater than the Payment Standard, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard.

Note also that the "maximum initial rent burden" does not apply to a family receiving **enhanced** voucher assistance, who elects to stay in the unit they were already occupying under project-based assistance.

**Line 13.a.** through **Line 17.** represent the calculation of **Family Rent to Owner** and **HAP to Owner** for families who are not "mixed" families and will not have their housing assistance prorated.

Line	Instructions
13.a.	<p><b>Recent Admission / Mover / Portability-In family:</b></p> <p>Compute 40% of the family's Adjusted Monthly Income by taking <b>Line 1.c.</b> and multiplying by <b>0.40</b>. Record the result in the space provided on this line.</p> <p>When the Gross Rent for the unit exceeds the Payment Standard, this typically means that the family will be obligated to pay a relatively larger portion of their income for their share of the rent. While this is allowable in the housing choice voucher program, there is an upper limit or ceiling on the amount of rent a family can pay relative to their income. This upper limit or ceiling is known as the <b>Maximum Initial Rent Burden</b>. The Family Share of Rent may not exceed 40% of the family's Adjusted Monthly Income. This restriction only applies to the initial leasing and initial assisted occupancy in a particular unit. It would not apply to any subsequent rent increases during the family's assisted occupancy in that same unit.</p>
13.b.	<p>Compute <b>Family Share of Rent</b> by subtracting the <b>Total HAP (Line E.12.c.)</b> from the <b>Gross Rent (Line E.11.)</b>, <u>but not to exceed</u> the amount on <b>Line E.13.a.</b></p> <p>Record the result in the space provided on this line. Cross check with HUD-50058, line 12t.</p>
14.	<p><b>Reexamination / Enhanced Voucher family:</b></p> <p>Compute <b>Family Share of Rent</b> by subtracting the <b>Total HAP (Line 12.c.)</b> from the <b>Gross Rent (Line 11.)</b>.</p> <p>Record the result in the space provided on this line. Cross check with HUD-50058, line 12t.</p>

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Use **Line 15.** through **Line 17.** to compute the **Family Rent to Owner** and the **HAP to Owner** for all families.

The Family Rent to Owner is the actual amount of rent the family will pay to the owner for the unit. The Family Rent to Owner may be different from the Family Share of Rent, computed earlier, if the family is responsible for paying some or all of the utilities at the unit. The PHA must also consider whether the family is entitled to a **Utility Reimbursement**.

Lines	File Review Guidance
15.	Compute the actual <b>HAP to Owner</b> by taking the <u>lowest</u> of the <b>Rent to Owner (Line 9.)</b> or the <b>Total HAP (Line 12.c.)</b> .  Record the result in the space provided on this line. Cross check with HUD-50058, line 12u.
16.	Compute <b>Family Rent to Owner</b> by subtracting the actual <b>HAP to Owner (Line 15.)</b> from the <b>Rent to Owner (Line 9.)</b> .  Record the result in the space provided on this line. Cross check with HUD-50058, line 12v.
17.	Determine the <b>Utility Reimbursement</b> (if any) that the family may be entitled to. Subtract the actual <b>HAP to Owner (Line 15.)</b> from the <b>Total HAP (Line 12.c.)</b> , <u>but not to exceed</u> the actual <b>Utility Allowance (Line 10.)</b> .  Record the result in the space provided on this line. Cross check with HUD-50058, line 12w.

A specific tenant family may include both members who are citizens or have eligible immigration status and members who are not citizens or do not have eligible immigration status (or elect not to state whether they have eligibility status). Such a family is considered a “mixed” family. For a “mixed” family, the amount of housing assistance must be prorated based on the percentage of family members with citizenship or eligible immigration status.

**Line 18.** through **Line 23.** represent the calculation of prorated **Family Rent to Owner** and prorated **HAP to Owner** for families who are “mixed” families.

Line	Instructions
18.	Copy the <b>Total HAP</b> (non-prorated) calculated in the normal manner, from <b>Line 12.c.</b>  Cross check the result with HUD-50058, line 12ab.
19.a.	Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does <u>not</u> include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the number of family members.  Enter this number in the space provided on this line. Cross check with HUD-50058, line 12ad.

**Tenant File Review Checklist Worksheets**  
**Rental Integrity Monitoring**  
**Public Housing / Sec. 8 Housing Choice Voucher**

**F. Section 8 HCV Rent and HAP Worksheet**

**Section 8 HCV Rent and HAP Worksheet Instructions (continued)**

Line	Instructions
<b>19.b.</b>	<p>Of the total number of family members identified on <b>Line 19.a.</b>, identify the number of members that are <u>eligible</u> for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is “pending.” Again, refer back to section <b>A. Family Composition</b> of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status.</p> <p>Enter this number in the space provided on this line. Cross check with HUD-50058, line 12ac.</p>
<b>20.</b>	<p>The PHA must determine a “proration factor” based on the number of family members who are citizens or have eligible immigration status as a fraction of the total number of household members (both eligible and non-eligible).</p> <p style="padding-left: 40px;">Eligible family members (<b>Line 19b.</b>) ÷ Total family members (<b>Line 19.a.</b>) = Proration Factor</p> <p>Cross check this proration factor with HUD-50058, line 12ae.</p> <p>Multiply this proration factor by the <b>Total HAP</b> calculated in the normal manner (recorded on <b>Line 18.</b>)</p> <p style="padding-left: 40px;">Total normal HAP (<b>Line 18.</b>) x Proration Factor = Total Prorated HAP</p> <p>The result will be the <b>Total Prorated HAP</b> for this “mixed” family. Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12af.</p>
<b>21.</b>	<p>Compute the <b>Prorated Family Share of Rent</b>.</p> <p style="padding-left: 40px;">Subtract <b>Total Prorated HAP (Line 20.)</b> from the <b>Gross Rent (Line 11.)</b></p> <p>Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12ag.</p>
<b>22.</b>	<p>Compute the <b>Prorated Family Rent to Owner</b></p> <p style="padding-left: 40px;">Subtract the <b>Utility Allowance (Line 10.)</b> from the <b>Prorated Family Share of Rent (Line 21.)</b>.</p> <p>Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12ai.</p> <p>If the result is a <u>negative</u> number, this number represents the <b>Utility Reimbursement</b> that should be paid on behalf of the family</p>
<b>23.</b>	<p>Compute the <b>Prorated HAP to Owner</b>.</p> <p style="padding-left: 40px;">If the <b>Prorated Family Rent to Owner (Line 22.)</b> is a <u>positive</u> number or is equal to \$0, then subtract <b>Line 22.</b> from the <b>Rent to Owner (Line 9.)</b>. Enter the result in the space provided on this line.</p> <p style="padding-left: 40px;">If the <b>Prorated Family Rent to Owner (Line 22.)</b> is a <u>negative</u> number, then simply insert the <b>Rent to Owner (Line 9.)</b> figure in the space provided on this line.</p> <p>Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12aj.</p>