

## INCOME COMPUTATION AND CERTIFICATION

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Project ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up to date with the HUD Regulations. All capitalized terms used herein shall have the meaning set forth in the Regulatory Agreement.

Re: (NAME and ADDRESS of Apartment Building)

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I/We the undersigned state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

1. Name of Members Of the Household	2. Relationship to Head of Household	3. Age	4. Social Security Number	5. Place of Employment

### Income Computation

6. The total anticipated income, calculated in accordance with this paragraph 6, of all persons (except children under 18 years) listed above for the 12-month period beginning the earlier of the date that I/we plan to move into a unit or sign a lease for a unit is \$ \_\_\_\_\_.

**Included in the total anticipated income listed above are:**

- (a) the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services;
- (b) the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowances for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets in vested in the operation by the family ;
- (c) interest and dividends and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (6)(b) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by the Department of Housing and Urban Development;
- (d) the full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including any lump sum amount except deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- (e) payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay;
- (f) welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
  - (1) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
  - (2) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced form the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
- (g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- (h) all regular pay, special pay and allowances of a member of the Armed Forces except the special pay to a family member serving in the Armed Forces except the special pay to a family member serving in the Armed Forces who is exposed to hostile fire; and

**Excluded from such anticipated income are:**

- (a) income from employment of children (including foster children) under the age of 18 years;
- (b) payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses except payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide, as defined by 24 CFR §5.403;

- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) the special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h)
  - (1) amounts received under training programs funded by the Department of Housing and Urban Development;
  - (2) amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - (3) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - (4) amounts received under a resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Public Housing Issuer or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
  - (5) incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (i) temporary, nonrecurring or sporadic income (including gifts);
- (j) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (k) earnings in excess of \$480 for each full-term student 18 years old or older (excluding the head of household and spouse);
- (l) adoption assistance payments in excess of \$480 per adopted child; and
- (m) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- (n) amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- (o) amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (p) amounts specifically excluded by an other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR §5.609(c) apply.

7. Do the persons whose income or contributions are included in item 6 above
- (a) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land) \_\_\_\_\_ Yes \_\_\_\_\_ No; or
  - (b) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - (c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - (d) If the answer to (c) above is yes, state:
    - (1) the combined total value of all such assets: \$ \_\_\_\_\_
    - (2) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent: \$ \_\_\_\_\_, and
    - (3) the amount of such income, if any, that was included in item 6 above: \$ \_\_\_\_\_
8. (a) Are all of the individuals who propose to reside in the unit full-time students\*? \_\_\_\_\_ Yes \_\_\_\_\_ No  
 \*A full-time student is an individual enrolled as a full-time student during each of 5 calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or is an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.
- (b) If the answer to 8(a) is yes, is at least 2 of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? \_\_\_\_\_ Yes \_\_\_\_\_ No

9. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner; or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or Trustee held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.
10. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.
11. I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.
12. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_ (year) in the City of \_\_\_\_\_, California

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Applicant

[Signature of all persons (except children under the age of 18 years) listed in number 2 above required]

**FOR COMPLETION BY APARTMENT OWNER ONLY:**

1. Calculation of eligible income:

- a. Enter amount entered for entire household in 6 above: \$ \_\_\_\_\_
- b. (1) If the amount entered in 7(c) above is yes, enter the total amount entered in 7(d)(2), subtract from that figure the amount entered in 7(d)(3) and enter the remaining balance (\$ \_\_\_\_\_ );  
  
(2) Multiply the amount entered in 7(d)(1) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7(d)(1) would be if invested in passbook savings (\$ \_\_\_\_\_), subtract from that figure the amount entered in 7(d)(3) and enter the remaining balance (\$ \_\_\_\_\_);  
  
(3) Enter at right the greater of the amount calculated under (1) or (2) above: \$ \_\_\_\_\_
- c. TOTAL ELIGIBLE INCOME (line 1.a plus line 1.b(3)): \$ \_\_\_\_\_

2. The amount entered in 1.c:

- \_\_\_\_\_ Qualifies the applicant(s) as a Moderate-Income Tenant(s).
- \_\_\_\_\_ Qualifies the applicant(s) as a Lower-Income Tenant(s).
- \_\_\_\_\_ Qualifies the applicant(s) as a Very-Low Income Tenant(s).

3. Number of apartment unit assigned: \_\_\_\_\_ Bedroom size: \_\_\_\_\_ Rent: \$ \_\_\_\_\_

4. This apartment unit (**was/was not**) last occupied for a period of 31 or more consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as a Lower-Income Tenant(s).

5. Method used to verify applicant(s) income:

- \_\_\_\_\_ Employer income verification.
- \_\_\_\_\_ Copies of tax returns.
- \_\_\_\_\_ Other ( \_\_\_\_\_ )

\_\_\_\_\_  
Manager

\_\_\_\_\_  
Date