



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-3000

OFFICE OF HEALTHY HOMES AND
LEAD HAZARD CONTROL

POLICY GUIDANCE NUMBER: 2005-01		DATE: December 17, 2004
SUBJECT:	Income Verification for Lead Hazard Control Grant Programs	
STATUS:	Current	
APPLICABILITY:	Lead-Based Paint Hazard Control, Lead Hazard Reduction Demonstration, and Operation Lead Elimination Action Program grant programs	
RELATED GUIDANCE:	96-03 (Amendment to Section 1011 of Title X: Income Eligibility Requirements, May 14, 1996)	
COMMENTS:	None	

Dear Grantee:

We are issuing this Policy Guidance to clarify how grantees determine income eligibility of families in homes receiving lead hazard control work under the Office of Healthy Homes and Lead Hazard Control's (OHHLHC's) Lead-Based Paint Hazard Control program, the Lead Hazard Reduction Demonstration program, and Operation Lead Elimination Action Program (LEAP). This Policy Guidance provides details on implementing Policy Guidance 96-03, which informed grantees that income eligibility requirements had been modified in 1996 by Public Law 104-134. This Policy Guidance does not impose any new burden on grantees, because grantees are already responsible for determining income eligibility; rather, it explains in greater detail how income is verified and provides sample formats and resource information for doing so.

The Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) requires that certain percentages of low-income families reside in homes enrolled in lead hazard control grant programs. (Title X specifies the percentages at title 42 of the U.S. Code, sections 4852(a)(1) and (2); Title X is available at www.hud.gov/offices/lead). It is, therefore, important to verify the income of these families. As of FY 2005, the three grant programs listed above are covered by this requirement (if this list changes in future years, this Policy Guidance will be amended).

In particular, the grantee must ensure certain percentages are met for the total set of units receiving lead hazard control work in their portfolio.

▪ **For rental units:**

- At least 50 percent of rental units are occupied by or made available to very low-income families (with incomes up to 50 percent of the area median income level); and

- The remaining units are similarly restricted to low income families (up to 80 percent of the area median income level); except, in buildings with five or more units, up to 20 percent of the units may be occupied by families who are not low or very low income families.
- For **owner-occupied housing**: This owner's family must be low-income, and the housing must be family's principal residence; this applies whether the housing is a one-family home, or one unit of a building with two or more units.

Generally, these income percentage requirements above do not apply to each property individually, but, as stated above, to the whole portfolio. Some rental buildings may have fewer than 50% very low-income families if enough others have more than 50% very low income families. The exception is for buildings with five or more units, where no more than 20% of families in each building may be middle or high income.

This guidance describes methods for verifying the income of families before lead hazard control work funded by these grant programs is done to their homes. The attachments provide background information and instructions. All of the attachments are based on the relevant portions of HUD's HOME Investment Partnerships (HOME) Program website, with certain variations as described below to reflect the requirements of Title X, and follow the sequence of the HOME website. For example, after several attachments with background explanations, an attachment provides printouts of the on-line income calculator used by HOME. We expect that most grantees will use the on-line calculator, but they may use an electronic spreadsheet or paper version making the same calculations.

(The income verification approach is adapted slightly from that used by HOME, authorized by the HOME Investment Partnerships Act (title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.). The HOME program is operated by the Office of Community Planning and Development (CPD; as of mid-2004, by CPD's Office of Affordable Housing Programs). HOME's income verification approach is described in 24 CFR part 5, section 5.609. Other programs in HUD use this approach, with adaptations, including the Community Development Block Grant Program under CPD, and the Section 8 Housing Choice Voucher program under the Office of Public and Indian Housing.)

The steps involved in income verification are described in appendices to this Policy Guidance:

- A. Three Definitions of Income
- B. Calculating Income Eligibility
- C. Determining Whose Income to Count
- D. Verifying Income
- E. Assessing Income Information
- F. Comparing Income to HOME Income Limits
- G. Timing Income Certifications
- H. Income calculator:

Part 5 Annual Income
IRS Form 1040 Adjusted Gross Income
Census Long Form Annual Income

I. Family Incomes and Title X Criteria

For the OHHLHC lead hazard control grant programs, the principal adaptations from the HOME approach, to meet the requirements of Title X, are that:

- **Only the current situation is considered**, so that the anticipated annual income is the same as the current annual income. In particular, no changes in the current salary (if the annual salary approach is used) or wages, hours and weeks worked (if the hourly wage approach is used), other income, deductions, or status, are considered. The household's income history for the past 12 months is used.
- The **percentages of units** occupied by families with low and very low income in the grantee's lead hazard control work portfolio **meet the criteria of Title X**, as described above, **and not those of another program**. Attachment I, Family Incomes and Title X Criteria, describes the Title X criteria for low and very low income families.

HOME's income eligibility Instructions are its Calculating Income Eligibility web page, www.hud.gov/offices/cpd/affordablehousing/training/calculator/, and web pages linked to that page. For example, there is on-line calculator for determining household income, as discussed above, and the income limits for households of a specific household size and geographic area, are provided.

In general, a grantee has the flexibility to choose among the following three definitions of "annual income" when calculating income for a lead hazard control grant program:

1. Annual income as defined in 24 CFR 5.609, known as "Part 5 annual income";
2. Annual income as reported under the Census Long Form for the most recent decennial census (currently the 2000 census); or
3. "Adjusted gross income" as defined for reporting purposes under the IRS Form 1040 long form (not IRS Forms 1040A or 1040EZ).

The HOME income verification website includes pages with calculators for each of these three definitions. A grantee can go on line and enter the relevant numbers to determine the household's income. The calculator generates a summary of results that can be printed out and included in the applicant's file. A paper table of the Part 5 definition calculation can also be downloaded. This annual income is compared with the HOME Income Limits for the household's geographic area and the household size. These income limits are updated every year and are also posted on the HOME website.

If a grantee has more than one type of OHHLHC lead hazard control grant, it may use more than one definition of annual income within their full set of grants. However, the grantee must also ensure that families in each grant program are treated equitably by using the same definition of income for all applicants within a particular grant program. A grantee may find administering the income verification process simpler if it uses one definition for all of its OHHLHC lead hazard control grant programs.

For example, if the grantee chooses to use the Part 5 definition of annual income for the Lead-Based Paint Hazard Control Grant, it must apply this definition to all applicants of that program. It may not use the IRS Form 1040 definition of adjusted gross income for a household that does not qualify using the Part 5 definition of annual income. This grantee may, however, use the any of the three definitions for its Operation LEAP grant.

Grantees which combine one or more other sources of funding (e.g., CDBG, HOME, Rehabilitation, etc.) with lead hazard control grant program funds must ensure that the housing units receiving the lead hazard control grant program funds meet the income eligibility requirements applicable to the lead hazard control grant as well as the other program(s). When combining funding from different programs, the most restrictive requirements govern.

If you have questions, please contact your Government Technical Representative at 202-755-1785 or by e-mail.

Attachments

A. Three Definitions of Income

In general, a grantee under a OHHLHC lead hazard control grant program has the flexibility to choose among the following three definitions of "annual income" used by HUD's Home Improvement Program (HOME), operated by the Office of Community Planning and Development, when calculating income and allowances for a lead hazard control grant program:

1. Annual income as defined in 24 CFR 5.609, known as "Part 5 annual income";
2. Annual income as reported under the Census Long Form for the most recent decennial census; and
3. "Adjusted gross income" as defined for reporting purposes under the IRS Form 1040 long form (not IRS Forms 1040A or 1040EZ).

Note that the household need not have actually used the 1040 long form or the Census Long Form. Based on the income definition the grantee has chosen to use for a lead hazard control grant program, the grantee obtains the applicable information for its income verification process.

Comparing the Three Definitions

The major differences among the Part 5, Census Long Form, and IRS Form 1040 definitions of annual income can be broken into the following categories.

1. **Familiarity and Consistency.** Many state and local governments have the most experience with the 24 CFR Part 5 definition of annual income, and many have developed administrative procedures and forms based on these rules and requirements. The Part 5 definition has been used for many years in various HUD programs.

2. **Types of Income to Count.** There are also some differences between the three definitions of income that can result in different income calculations. The three most significant differences between the definitions are that:

- Child support payments are not included in the IRS Form 1040 definition.
- The IRS Form 1040 definition allows the deduction of alimony payments.
- Inheritances and insurance settlements are included in the Part 5 asset calculation, but are not included in the Census or IRS definitions.

3. **Treatment of Assets.** The Part 5 definition of annual income requires special computations concerning assets. The Census Long Form and IRS Form 1040 definitions do not require such calculations. However, income from certain kinds of assets may be included under these definitions.

Defining Annual Income

The term "annual income" is used in the lead hazard control grant programs to refer to annual (gross) income, as calculated using one of the three definitions allowed under the lead hazard control grant programs. While the IRS uses the term "adjusted gross income", this amount is considered "annual income" for the purposes of the lead hazard control grant programs.

B. Calculating Income Eligibility

General Requirements

Grantees have the flexibility to choose one of three definitions of "annual income" to determine the income eligibility of applicants for their lead hazard control grant programs. However, there are several requirements that apply regardless of the definition of income a grantee chooses to use for these programs. These overarching rules and requirements include:

- Determining whose income to count;
- Verifying income;
- Assessing income information;
- Comparing income to HOME Program Income Limits; and
- Timing income certifications.

The three definitions of "annual income" that Grantees may use to determine the eligibility of applicants are presented in detail in the "Three Definitions of Income" topic, in Attachment A.

C. Determining Whose Income to Count

Knowing whose income to count is as important as knowing which income to count. The lead hazard control grant programs require that the income of all household members be included in the determination of "annual income." In practice, this means that the grantee staff member determining income must first determine the number of persons comprising the household, and then calculate the income of all persons in the household.

Determining Household Size

Some households may include persons who are not counted as household members for the purposes of HOME Program Income Limits; their income is not considered when calculating annual (gross) income.

Therefore, do not count the following household members when determining household size for the purpose of comparing "annual income" to HOME Program Income Limits:

- foster children
- live-in aides
- children of live-in aides
- unborn children
- children being pursued for legal custody or adoption who are not currently living with the household.

Note that a child who is subject to a shared-custody agreement in which the child resides with the household at least 50 percent of the time can be counted as a household member.

The Part 5 definition of annual income provides further guidance on whose income to count when using that definition of income.

D. Verifying Income

The lead hazard control grant programs require that grantees determine the income eligibility of families by examining source documentation which provides evidence of annual income, such as: wage statements, interest statements, and unemployment compensation statements.

Grantees may develop their own procedures for verifying the income of program applicants, provided that they collect source documentation and that this documentation is sufficient for HUD to monitor program compliance.

Check the forms available in the HOME Front's Sample Forms module, www.hud.gov/offices/cpd/affordablehousing/library/forms/index.cfm#inc, for assistance with documentation. (This and other addresses cited in this Policy Guidance were accessed October 17, 2004; they may change over time.) These forms can be used for income verification purposes, with their use modified to reflect the lead hazard control grant programs use of current annual income and not anticipated annual income, as described below.

As a basis for developing their own verification procedures, Grantees may use two of the three verification methods provided to public housing agencies (PHAs) for the Section 8 Program. The third method provided to PHAs, Applicant Certification, does not provide adequate source documentation for the OHHLHC lead hazard control grant programs.

Using Current Annual Income

Remember that, for the lead hazard control grant programs, only documented current income, determined by the household's income history for the past 12 months, is used, not any different amount of anticipated income. In other words, for lead hazard control grant programs, the anticipated income is the same as the current income. As a result:

- In the paper version of the Sample Format for Calculating Part 5 Annual Income, www.hud.gov/offices/cpd/affordablehousing/library/forms/calculatingpart5annualincom.doc, enter values for current annual income (based on the household's income history for the past 12 months) in block 6, Anticipated Annual Income.
- In the on-line version of the income calculation form, reached from the Calculator page, www.hud.gov/offices/cpd/affordablehousing/training/calculator/calculator.cfm, use the current annual salary (if the annual salary approach is used), or the current hourly wage and current number of hours and weeks worked (if the hourly wage approach is used), and leave the anticipated raise at zero.

Third Party Verification

Third-party verifications are a useful form of income verification because they provide independent verification of information and permit the grantee to determine if any changes to current circumstances are anticipated.

Third-party verification involves the grantee contacting an outside entity to obtain information about the income of household member(s). Examples of third parties that may be appropriate for these purposes include: employers, banks, the U.S. Social Security Administration, and public assistance agencies.

In order to conduct third-party verifications, a grantee must obtain a signed release from the household member(s) authorizing the third party to release the required information.

Release forms are available for printing and/or downloading on the HOME Front's Sample Forms module.

Although written requests and responses are generally preferred, conversations with third parties are also acceptable if they are documented through a memorandum to the file. This memorandum should record the contact person, information conveyed, and date of the conversation, and the reason for not having a written request and response.

In some extraordinary situations, such as a reasonable fear of retaliation or persecution, a household may have a reasonable basis for not having full income documentation, and for not wanting third parties to be asked to provide documentation. In such cases, the use of conversations and partial documentation is permissible, provided that a descriptive memorandum to the file, as described above, is prepared, and that it also includes the basis for considering the incomplete information to be sufficient for making an income eligibility determination.

Some third-party providers may be unwilling or unable to provide the needed information in a timely manner. Other third-party providers (such as banks) may charge a fee to provide the information. In such cases, the grantee should attempt to find suitable documentation without the third-party verification -- for example, bank statements or a savings passbook. If suitable third party documentation is unavailable without cost, reasonable costs associated with third party verifications are considered eligible expenses under the lead hazard control grant programs.

Review of Documents

Documents provided by the applicant may be the most appropriate documentation for certain types of income and can be used as an alternative to third-party verifications. Examples of appropriate documents that may be provided by program applicants include: pay stubs, tax returns, and bank statements.

If a copy of a tax return is needed, IRS Form 4506 "Request for Copy of Tax Form" must be completed and signed. Copies of documents provided by program applicants should be retained in project files.

Although easier to obtain than third-party verifications, a review of documents may not provide all the information necessary to estimate the current annual (gross) income of household member(s). For instance, an employed applicant's pay stubs may not provide sufficient information about the average number of hours worked, overtime, tips, and bonuses. In this case,

a conversation with the employer may be necessary to accurately estimate current annual income.

The household may have been determined to be eligible for another assistance program using the HOME or similar criteria. The grantee is not allowed to use another program's eligibility determination without reviewing the underlying (source) information, because the criteria used may be different (e.g., HOME uses different percentages of families and different percentages of the average median income than does Title X), the initial determination for the other program may have been made earlier than 6 months before lead hazard control work is to begin, the household's income may have changed significantly since the previous determination, etc. With the permission of the household, the grantee may obtain the eligibility data from the other program, for use as a starting point in the income eligibility determination for the lead hazard control grant program, but the grantee is reminded that the underlying information must be examined and revised as necessary, and not used without question. This is because the lead hazard control grant program grantee is responsible to OHHLHC for the validity of the determination.

E. Assessing Income Information

At first glance, the income information provided by applicants and/or third parties may seem elementary. However, Grantees should exercise great care to ensure that they accurately assess all the facts underlying the income information collected. Some important considerations Grantees need to take into account include:

It is important to clarify and understand the basis on which employees are paid: hourly, weekly, or monthly? with or without overtime?

An employee who gets paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year). Be sure to get clarification!

Similarly, it is important to identify whether overtime is an occasional occurrence or if it is a fairly predictable component of an employee's income.

An annual salary is counted as annual income regardless of the payment schedule. For example, if a teacher's annual salary is \$30,000, this is the amount used to calculate annual (gross) income regardless of whether the teacher is paid over a nine- or 12-month period.

F. Comparing Income to HOME Income Limits

Once the household and income information has been established and verified, a grantee must then compare the information to the appropriate HOME Program Income Limits to determine if the household is eligible for participation in a lead hazard control grant program.

In determining program eligibility, Grantees must first ensure that they have a copy of the most recent HOME Program Income Limits tables, adjusted for household size and by geographic area (county or metropolitan area). The income limits are updated and distributed by HUD on an annual basis.

Current official income limits tables can be obtained by one of two methods:

- Download the HOME Program Income Limits, reached from www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/, by selecting a specific year, and then a specific state (or the District of Columbia, Puerto Rico or Guam). The effective date of the income limits for each year start on a specific date, usually in March or April, shown on the year's web page. (For example, the 2004 income limits were effective March 15, 2004; for comparing a year of income ending in the months before that date, the 2003 income limits would have been used. Similarly, the 2004 income limits can be expected (as of the writing of this guidance in November 2004) to be effective through about March 2005; the website shown above will give the effective date of the 2005 limits.)
- Contact the local HUD Field Office for the jurisdiction of the building having lead hazard control work done, reached from www.hud.gov/local/.
- To compare a household's annual income information to the official HOME Program Income Limits, follow these steps
- For the appropriate state, find the geographic area in which the grantee is located on the HOME Program Income Limit chart.
- Find the column that corresponds to the number of persons in the household.
- Compare the verified annual (gross) income of the household with the very-low-income limit and the low-income limit for that geographic area and household size.

Household sizes in excess of 8 persons are calculated by adding 8% of the four-person income limit for each additional household member. That is, the 9-person limit should be 140% of the 4-person limit, the 10-person limit should be 148%, and so on.

G. Timing Income Certifications

The income certification process must be completed before lead hazard control work funded by these OHHLHC grant programs is done to their homes.

Households determined to be of low income must qualify as such at the time lead hazard control work on their home is begun.

Generally speaking, OHHLHC lead hazard control grant programs permit income verifications dated no earlier than 6 months before the lead hazard control work begins, and does not require a grantee to re-examine a household's income at the time the work begins, unless more than 6 months have elapsed since the household's income was certified by the grantee. For example, if the grantee is using the 1040 long form income definition, and the household used 1040 long forms for the previous calendar year, the information on those forms, and supporting information, for all applicable household members can be reviewed. If these materials are accepted (as submitted or as revised), the eligibility determination would continue through June 30, that is, 6 months after the period for which the information applied.

A preliminary determination of eligibility probably can (and should) be made much earlier. Because application processing is labor intensive, early screening for income eligibility can eliminate excessive work in processing eligible applicants.

Establishing a deadline for the completion of income certifications can be a challenging part of the planning process.

Because income determinations involve the collection of information from applicants and/or third parties, waiting too long can delay a project.

Conducting income certifications too early in the process, however, might mean that certifications become outdated and must be redone.

H. Income Calculator

[OHHLHC NOTE for lead hazard control grant programs:

The web pages for the income calculator are shown in this printout. "NOTES" for lead hazard control grant program users that explain how the program requirements discussed in the Policy Guidance apply to individual calculator pages or lines, are added for clarity.

On the web site itself, the person determining the household income enters information onto the web page.

After the web page printouts, the three sample paper version formats for calculating annual income using, one for each of the three definitions, are shown.

Remember that, whether using the on-line or paper versions, for the lead hazard control grant programs, the anticipated income is the current income, that is, no changes from the current situation in salary, wages, hours, weeks, other income, deductions or status are considered.

The income limit for household size in area (the last entry on this page) can be obtained through the web page on Comparing Income to HOME Income Limits, www.hud.gov/offices/cpd/affordablehousing/training/calculator/requirements/comparing.cfm.]

Examine source documentation of income for all members of this household.

What is the last name of this household?

How many members are in this household?

What is the current HUD Passbook Rate? (i.e. enter 2.5 for 2 and one-half percent)

Household Area (e.g., Baltimore, MD)

Income Limit for household size in area

You may choose one of the following definitions of income to use when calculating annual income for the household.

- Part 5 Annual Income
- IRS Form 1040 Adjusted Gross Income
- Census Long Form Annual Income

[OHHLHC NOTE for lead hazard control grant programs: Based on the choice of definition, the person determining the household income would be linked to the appropriate web page. The three web pages are printed out here.]

Part 5 Annual Income

Anticipated Annual Income *[OHHLHC NOTE for lead hazard control grant programs: This is the current annual salary, not any other amount of anticipated annual salary.]*

Wages/Salaries

The full amount, before any payroll deductions, of wages and salaries, as well as overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services

First (Wages/Salaries) Item for [household member]:

Check the corresponding box if this household member is:

- A fulltime student 18 years or under
- The head of the household
- The spouse of the head of the household

Annual salary: *[OHHLHC NOTE for lead hazard control grant programs: This is the current annual salary, not any other amount of anticipated annual salary.]*

OR

Hourly Wage: *[OHHLHC NOTE for lead hazard control grant programs: This wage, and the number of hours, and weeks in the next lines, are the current values, not any other anticipated values.]*

Hours worked per week:

Weeks worked per year:

Anticipated raise: (e.g. Hourly wage after raise) Raise starts on week: *[OHHLHC NOTE for lead hazard control grant programs: This figure remains at zero, because, for these programs, the current income is the anticipated income.]*

Description:

IRS Form 1040 Adjusted Gross Income

Anticipated Annual Income [*OHHLHC NOTE for lead hazard control grant programs: This is the current annual salary, not any other amount of anticipated annual salary; no anticipated raise or other change in income, deductions or status, is considered.*]

1. Household Name:

Number of household members:

2. Household Area:

Income Limit:

1. Wages, salaries, tips
2. Taxable interest
3. Dividend income
4. Taxable refunds/ credits/offsets of state/ local income taxes
5. Alimony received
6. Business income (or loss)
7. Capital gain (or loss)
8. Other gains (or losses)
9. Taxable amount of IRA distributions
10. Taxable amount of pensions and annuities
11. Rental real estate, royalties, partnerships, trusts, etc.
12. Farm income (or loss)
13. Unemployment compensation
14. Taxable amount of Social Security benefits
15. Other income
16. Subtotal (lines 1-15)
17. IRA deduction
18. Medical savings account deduction
19. Moving expenses
20. One-half of self-employment tax
21. Self-employed health insurance deduction
22. Keogh and self-employed SEP and SIMPLE plans
23. Penalty on early withdrawal of savings
24. Paid alimony
25. Subtotal (lines 17-24)

26. This is Adjusted Gross Income.

Census Long Form Annual Income

Anticipated Annual Income *[OHHLHC NOTE for lead hazard control grant programs: This is the current annual salary, not any other amount of anticipated annual salary.]*

Wages/Salaries

Wages, salary, commissions, bonuses and tips from all jobs before deductions for taxes, bonds, dues, or other items.

First (Wages/Salaries) Item for [household]:

Annual salary: *[OHHLHC NOTE for lead hazard control grant programs: This is the current annual salary, not any other amount of anticipated annual salary.]*

OR

Hourly wage: *[OHHLHC NOTE for lead hazard control grant programs: This wage, and the number of hours, and weeks in the next lines, are the current values, not any other anticipated values.]*

Hours worked per week:

Weeks worked per year:

Anticipated raise: (e.g. Hourly wage after raise) Raise starts on week: *[OHHLHC NOTE for lead hazard control grant programs: This figure remains at zero, because, for these programs, the current income is the anticipated income.]*

Description:

...

Specific Exclusions

In-kind pay such as food, free rent, etc. *[OHHLHC NOTE for lead hazard control grant programs: This is the current value, not any other anticipated value.]*

[OHHLHC NOTE for lead hazard control grant programs: The anticipated annual income is the current annual income, not any other amount; no change in wages, salaries, benefits, pensions, public assistance, other income, asset income or status, is anticipated.]

SAMPLE FORMAT FOR CALCULATING PART 5 ANNUAL INCOME

1. NAME		2. IDENTIFICATION			
ASSETS					
FAMILY MEMBER	ASSET DESCRIPTION	CURRENT CASH VALUE OF ASSETS		ACTUAL INCOME FROM ASSETS	
3. NET CASH VALUE OF ASSETS.....		3.			
4. TOTAL ACTUAL INCOME FROM ASSETS.....				4.	
5. IF LINE 3 IS GREATER THAN \$5,000, MULTIPLY LINE BY _____ (PASSBOOK RATE) AND ENTER RESULTS HERE; OTHERWISE, LEAVE BLANK				5.	
ANTICIPATED ANNUAL INCOME					
FAMILY MEMBERS	WAGES/SALARIES	BENEFITS/PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	ASSET INCOME
					ENTER THE GREATER OF LINES 4 OR 5 FROM ABOVE IN E.
6. TOTALS	A.	B.	C.	D.	E.
ENTER TOTAL OF ITEMS FROM 6A. THROUGH 6E. THIS IS ANNUAL INCOME.					7.

[OHHLHC NOTE for lead hazard control grant programs: The anticipated annual income is the current annual income, not any other amount; no change in wages, salaries, benefits, pensions, public assistance, other income, asset income or status, is anticipated.]

SAMPLE FORMAT FOR COMPUTING IRS 1040 SERIES ADJUSTED GROSS INCOME

Name:		Identification No.:			
	FAMILY MEMBER				SUBTOTAL (ADD A-D)
	A.	B.	C.	D.	E.
1. WAGES, SALARIES, TIPS					
2. TAXABLE INTEREST					
3. DIVIDEND INCOME					
4. TAXABLE REFUNDS/ CREDITS/OFFSETS OF STATE/ LOCAL INCOME TAXES					
5. ALIMONY RECEIVED					
6. BUSINESS INCOME (OR LOSS)					
7. CAPITAL GAIN (PR LOSS)					
8. OTHER GAINS (OR LOSSES)					
9. TAXABLE AMOUNT OF IRA DISTRIBUTIONS					
10. TAXABLE AMOUNT OF PENSIONS AND ANNUITIES					
11. RENTAL REAL ESTATE, ROYALTIES, PARTNERSHIPS, TRUSTS, ETC.					
12. FARM INCOME (OR LOSS)					
13. UNEMPLOYMENT COMPENSATION					
14. TAXABLE AMOUNT OF SOCIAL SECURITY BENEFITS					
15. OTHER INCOME					
16. SUBTOTAL (LINES 1-15)					
17. IRA DEDUCTION					
18. MEDICAL SAVINGS ACCOUNT DEDUCTION					
19. MOVING EXPENSES					
20. ONE-HALF OF SELF- EMPLOYMENT TAX					
21. SELF-EMPLOYED HEALTH INSURANCE DEDUCTION					
22. KEOGH AND SELF-EMPLOYED SEP AND SIMPLE PLANS					
23. PENALTY ON EARLY WITHDRAWAL OF SAVINGS					
24. PAID ALIMONY					
25. SUBTOTAL (LINES 17-24)					
26. SUBTRACT LINE 25 FROM LINE 16. THIS IS ADJUSTED GROSS INCOME.....					

SAMPLE FORMAT FOR COMPUTING CENSUS LONG FORM ANNUAL INCOME

Name:			Identification No.:			
ANTICIPATED ANNUAL INCOME						
FAMILY MEMBER	A. WAGES/ SALARIES	B. BUSINESS INCOME	C. INTEREST/ DIVIDENDS	D. BENEFITS/ PENSIONS	E. PUBLIC ASSISTANCE	F. OTHER INCOME
1. TOTALS	A.	B.	C.	D.	E.	F.
2. ENTER TOTAL OF ITEMS FROM 1A. THROUGH 1F. THIS IS <i>ANNUAL INCOME</i>						2.

I. Family Incomes and Title X Criteria

The grantee must ensure that the Title X income eligibility limits are met for units receiving lead hazard control work.

- **For rental units:**

- At least 50% of rental units are occupied by or made available to very-low-income families (with incomes at or below 50% of the area median income level). Attachment F, Comparing Income to HOME Income Limits, describes the process for obtaining the low and very low-income limits.

- The remaining units are similarly restricted to low income families (at or below 80% of the area median income level; except that, in buildings with five or more units, up to 20% of the units may be occupied by families who are not low or very low income families.

- **For owner-occupied housing:** All owner-occupied housing must be the principal residence of a low-income family, whether the owner occupies single-family housing or one unit of a multi-unit building.

Generally, these income percentage requirements above do not apply to each property individually, but, as stated above, to the whole portfolio, that is, some rental buildings may have less than 50% very low income families if enough others have more than 50% very low income families. The exception is for buildings with five or more units, as noted above, where up to 20% of families may be middle or high income. The procedure for addressing buildings with five or more units is described below with examples.

For buildings with five or more units, the maximum number of moderate- or high-income families, 20%, is obtained by dividing the number of units by 5, and then dropping any remainder. For example, with 14 units, $14 / 5 = 2.8$, which is rounded down to 2. Remember also that an owner-occupied unit must be low income. Examples are shown here for different numbers of units, and whether or not the owner occupies one of the units:

Multifamily Percentage Examples

No. of units	Occupancy	Number of moderate or high income units
1	Owner or rental	0 moderate or high income
2-4	All rental	0 moderate or high income
2-4	Owner in one unit	0 moderate or high income
5-9	All rental	0 or 1 unit moderate or high income
5-9	Owner in one unit	Owner low income, 0 or 1 other unit moderate or high income
10-14	All rental	0 to 2 units moderate or high income
10-14	Owner in one unit	Owner low income, 0 to 2 other units moderate or high income