

PROCEDURES FOR RESIDENTS REPORTING ZERO INCOME OR AT MINIMUM TTP

When a resident reports a change resulting in zero income for the household or minimum TTP, provide a copy of the Income Reporting Notice to the head of household and follow the steps below:

- Identify residents/families with little or no income on a quarterly basis (January, March, June, September).
- Check the EIV system, DES (unemployment, wage history, food stamps, cash assistance), and child support for possible unreported income.

Remember, if there is a fee for the information, you may include those fees in your operating budget. You may also want to consider revising your policies and procedures to allow for a credit check when a family remains at zero income or minimum TTP for 3 months or more.

- Schedule interviews and complete an Income Questionnaire with each adult member of the household.

INTERVIEW AND INCOME QUESTIONNAIRE

1. The site manager or supervisor should conduct an interview to complete the Income Questionnaire. Do not hesitate to ask additional questions if the answers provided are unclear. Everyone has income to pay the minimum rent, buy toiletries, baby formula, etc. but the family may not be aware money they are receiving should count as income.
2. Total the monthly expenses and compare to reported income. If there is a discrepancy, ask for an explanation. For example: if the monthly expenses add up to \$650 but the HOH declares their only income is \$180 in food stamps, it's obvious something isn't being reported. How is the family paying the remaining \$470 monthly expenses?
3. Ensure that all adult members of the household sign an Income Questionnaire along with the property manager or supervisor.
4. If the household has been at zero income or minimum TTP for 6 months, obtain a copy of the tax return for each adult member of the family by asking them to sign the IRS Form 4506T. Follow the IRS instructions and request a copy of their last income tax return to verify income to the household.

HARDSHIP EXEMPTIONS

Determine if a Hardship Exemption should be offered:

HUD defines a Hardship Exemption as *an exemption from the \$25 minimum rent an owner must provide for any household unable to pay the Section 8 minimum rent due to a long-term financial hardship as defined in the regulation. [24 CFR 5.630]*

Refer to the Occupancy Handbook, 4350.3, Rev. 1, par. 5-26D.3, which says in part:

Financial hardship exemptions.

a. Owners must waive the minimum rent for any family unable to pay due to a long-term financial hardship, including the following:

- The family has lost federal, state, or local government assistance or is waiting for an eligibility determination.
- The family would be evicted if the minimum rent requirement was imposed.
- The family income has decreased due to a change in circumstances, including but not limited to loss of employment.
- A death in the family has occurred.
- Other applicable situations, as determined by HUD, have occurred.

If the family's situation is such that a Hardship Exemption should be offered, refer to the Occupancy Handbook, 4350.3, Rev. 1, par. 5-26D.3.b for guidance.

UNREPORTED INCOME

If, during the interview, it is discovered that the family does have unreported income, the owner/agent must determine if it should have been reported for the last Annual Recertification, if an Interim Recertification is necessary (refer to the Occupancy Handbook, 4350.3, Rev. 1, par. 7-10), or if it will be considered at the next Annual Recertification based on the amount and source of the income.

If the resident owes a substantial amount in back rent, the owner/agent must negotiate a repayment agreement. Refer to the *Occupancy Handbook*, 4350.3, Rev. 1, par. 8-19 for repayment guidance. If the resident moves before repaying the amount agreed upon, the owner/agent should 1) notify the resident in writing that the full amount is now due and payable; and 2) seek repayment through collections or small claims court.

FRAUD and TENANT ERROR

Fraud may be difficult to prove and document. Refer to the Occupancy Handbook, 4350.3, Rev. 1, par. 8-25, *Procedures for Addressing Discrepancies, Errors, and Fraud*, for guidance. Unless the owner/agent can substantiate that the resident intended to commit fraud, the unreported income must be considered tenant error.

MOVE-INS

Families moving to a Section 8 property and claiming no or little income must be able to explain how they are currently paying for rent, utilities, groceries, and transportation. If the normal procedure is to run a credit check before admitting an applicant, the credit report may include telling information. For example, if the applicant has made regular car and/or credit card payments, he/she should be able to explain the source of those funds.

All move-ins should receive a copy of the Income Reporting Notice.

(updated 5.22.07)

INCOME REPORTING NOTICE

If your family has reported little or no monthly income, please be aware of the following:

- You must immediately report to the manager if an unemployed adult member of the family obtains employment or if your family income cumulatively increases by \$200 or more per month. If you fail to report this information, you will still be responsible for rent owed retroactive to the date of the income change and may lose your rental assistance.
- You may request a Hardship Exemption to waive the minimum rent (\$25.00). Inform the property manager or supervisor of your current circumstances and they will determine if a Hardship Exemption can be offered.
- You and all adult members of your household must meet with the property manager or supervisor at least once every three months and provide current information regarding your household income and expenses. The property manager will contact you to schedule an appointment.
- If you are not receiving child support or alimony as ordered by a court, you must take all reasonable legal action to collect the amount due to you. This includes *filing with the appropriate courts or agencies responsible for enforcing payment.* (4350.3 Rev.1, par.5-6E) If you do not follow through and attempt to collect, the child support or alimony will be included as income.

Any person who knowingly and willingly makes false or fraudulent statements to any Department or Agency of the U.S. or the Department of Housing and Urban Development is guilty of a felony per Title 18, Section 1001 of the U.S. Code. Failure to provide true information may be grounds for termination of housing assistance.

Acknowledged and received by

Head of Household – Print Name

Date

Head of Household – Signature

(revised 5.22.07)



INCOME QUESTIONNAIRE

Interview Date: _____

HOH Name: _____ Unit # _____

Other Adults in the Household: _____

(complete a separate Income Questionnaire for each adult in the household) _____

Household has had zero or little income since (date): _____

Pre-Interview Income Check

- EIV DES Child Support Credit Report

1. Are you or anyone in your household working (employed, odd jobs, self-employed?) Yes No

If yes, who and where? _____

2. When and where did you last work? _____

3. Provide the name(s) of the household member(s) who receive income from the sources listed below.

Name: _____

Check all that apply:

- Social Security Unemployment Benefits General Assistance
 SSI Workman's Compensation Alimony
 Cash Assistance/TANF Child Support Veteran's Benefits
 Other Pension

4. Is any member of the household owed court-ordered child support but not receiving regular payments?

Yes No If yes, what have you done to enforce the court order for payment?

5. Provide the name of anyone outside of your household who pays any of your bills, gives you money, buys supplies, clothing or other necessities for you.

Name: _____

Address: _____

6. Do you have a car? Yes No How do you pay for expenses (gas, insurance, repairs, etc.)?

If no, what mode of transportation do you use (bus, taxi, etc.) and how do you pay for it?

7. Did you file an income tax return last year? Yes No

(Manager may ask resident to sign IRS form 4506T to obtain a copy)

8. Describe your monthly expenses.

Item	Approx. Monthly Amount	How Paid
Rent		
Utilities (gas elect, etc)		
Phone (including cell phone)		
Cable / Internet		
Food		
Tobacco products		
Clothing (for self and children)		
School supplies/uniforms		
Diapers		
Baby Formula		
Cleaning Supplies		
Toiletries (shampoo, deodorant, etc.)		
Laundromat		
Doctor Visits		
Prescriptions		
Car Loan		
Gasoline		
Other transportation expense (bus, cab)		
Credit Card		
Credit Card		
Entertainment (includes movie/video game rental)		
Other Monthly Payments		
		TOTAL MONTHLY EXPENSES

HUD occupancy regulations require all households living at Section 8 sites to pay at least \$25.00 per month minimum rent. I understand I can ask for an exemption from this requirement.

I do " I do not " need an exemption from paying the minimum rent of \$25.00 per month.

Any person who knowingly and willingly makes false or fraudulent statements to any Department or Agency of the U.S. or the Department of Housing and Urban Development is guilty of a felony per Title 18, Section 1001 of the U.S. Code. Failure to provide true information may be grounds for termination of housing assistance. I CERTIFY THE ANSWERS I HAVE GIVEN ARE TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE. I HAVE NO OBJECTION TO INQUIRIES MADE TO VERIFY ANY STATEMENT HEREIN.

_____ Date _____
 Head of Household or Other Adult Signature

Manager Signature and Date: _____