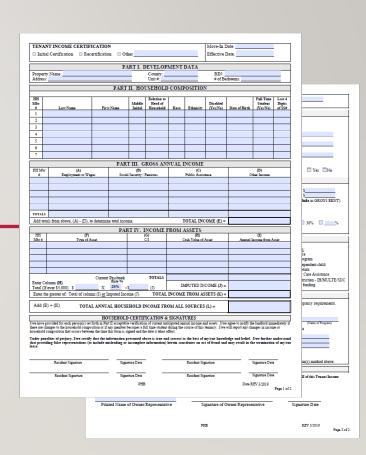
TENANT INCOME CERTIFICATION (TIC)

DETERMINING INCOME AND ELIGIBILITY

PHB Compliance Training
Updated: March 2023, Risk Analysis and Compliance Team



INTRODUCTION TO THE TIC (TENANT INCOME CERTIFICATION)

- The TIC is the tool you will use to calculate income and determine tenant eligibility
- It is required!
- There are instructions on the <u>PHB website</u>

MAKE SUREYOU ARE USING THE CORRECT TIC!

- I. PHBTIC (PHB Funding, MULTE, SDC and IH use this TIC)
- 2. PHB Self-Certification TIC (MULTE, SDC and IH use this TIC at recertification)
- 3. HOME or HOME/PHBTIC (HOME only, or HOME+PHB Funding)
- 4. HOME funding and LIHTC (HOME+LIHTC)
- 5. HOME Self-Certification TIC (HOME only, allowed on self-certification years)

WHEN TO USE THE TIC?

- Move-in
- Annual recertification
- Change in household composition (baby is born, new adult moving into home)
- Unit transfer

IDENTIFYING THE CERTIFICATION TYPE

- New household moving in? INITIAL CERTIFICATION (also known as move-in certification)
- One year since household has moved in? RECERTIFICATION (required annually ON or BEFORE move-in anniversary, but NOT AFTER)
- Change in household composition? OTHER
- Unit Transfer? OTHER

	TENANT INCOME CERTIFICATION		Move-In Date:
/	☐ Initial Certification ☐ Recertification	□ Other	Effective Date:

EFFECTIVE DATE VS. MOVE-IN DATE

TENANT INCOME CERTIFICATION	Move-In Date:
☐ Initial Certification ☐ Recertification ☐ Other	Effective Date:

HELPFUL HINTS

- TIC must be signed by all adult residents and owner/representative on or before EFFECTIVE DATE
- At Initial Certification, EFFECTIVE DATE should match the MOVE-IN DATE, (TIC may be signed up to 10 days early at Initial Certification)
- At Annual Recertification, EFFECTIVE DATE should not be later than one year anniversary of the MOVE-IN DATE
- Recertifications may be completed and signed up to 120 days before the EFFECTIVE DATE
- If a child will be 18 years old by the EFFECTIVE DATE, their income is included, and they will sign the TIC along with other adult residents

PART I. DEVELOPMENT DATA

- Which property are we at? In what county?
- What's the address? Which building is the unit in?
- BIN-if you know it, great! If you don't know it, don't worry about this field.
- Which unit is this TIC for?
- How many bedrooms in the unit? (studios = 0)

PART I. DEVELOPMENT DATA						
Property Name:		County:	BIN:			
Address:		Unit #:	# of B	edrooms:		

PART II. HOUSEHOLD COMPOSITION

- Who is living in the home? Or who will be living in the home? (exception: live in caretakers)
- For more detailed information on who is part off the household, please refer to Chapter 3 of the HUD Handbook.
 - Note: unborn children and children in joint custody arrangements who are present in the household 50% or more of the time are part of the household.
- Last 4 of social-if applicant does not have one, 0000 is sufficient for PHB

	PART II. HOUSEHOLD COMPOSITION									
HH				Relation to					Full Time	Last 4
Mbr			Middle	Head of	_		Disabled	D (4D) (1	Student	Digits
#	Last Name	First Name	Initial	Household	Race	Ethnicity	(Yes/No)	Date of Birth	(Yes/No)	of SS#
1										
2										
3										
4										
5										
6										
7										

STOP!

Time to use the **Applicant/Tenant Questionnaire!**

- Great resource to learn about all sources of income and assets
- And, it is REQUIRED at move-in (ALL adults are required to fill out/sign a questionnaire)
- It is also required when an adult is being added to the household (new adult will fill out/sign/date)
- Signature date must be on or before effective date of TIC

APPLICANT/TENANT OUESTIONNAIRE

Each household member 18 or older (or if under 18 and qualified as Head, Co-Head, or Spouse) must complete a separate Questionnaire. This form to be completed by the Applicant/Tenant - Answer each statement below by checking "Yes" or "No" and complete all additional information as it applies to you. Applicant/Tenant Name: I filed a tax return last year for myself, jointly with my spouse/partner, and/or for my business. I am married and file a joint tax return. I am a Student: Part-Time Full-Time School Name: Applicant/Tenant Estimated Gross Monthly Income from all sources: \$ I am employed and receive wages. I am employed at more than one job? Yes # _____ No I receive income from: (Tips: \$____/Week) - (Commissions: \$____/Month) - (Bonuses: \$___/Year) I am Self-employed or own a business. Type of business: I have secured new employment and will begin working on: I am on a leave of absence from work. If 'Yes", for how long: Start date: I receive income from Unemployment Worker's Compensation Disability Compensation Severance I receive/ am entitled to receive Child Support and/or Alimony payments. I receive Veteran's Benefits (VA). I receive Social Security (SS) Supplemental Security (SSI) Social Security Disability (SSD) I receive rental assistance such as Section 8, RD Other: I receive welfare/public assistance such as TANF, AFDC (exclude food stamps) or Other: I receive income from a household member/s temporarily absent from the unit. I receive income from a Pension, Annuity, IRA, 401K, Trust or Other: I receive periodic payments from family, friends or Other: _ I receive income from a foster child (unearned) or foster adult (earned/unearned) who resides with me. I receive periodic income from Long-Term Care insurance, Disability, and/or Death benefits, I have other forms of income not specified above. Source: Checking account(s): List Bank(s): I have # Savings account (s): List Bank(s): Money Market account(s) List Bank(s): _ I own # Certificate (s) of Deposit: List Bank(s): I hold assets in a safe deposit box or other safe location. Amount/Value: \$ ___ I have investments in Stocks, Bonds, Treasury bills and/or mutual funds. I have a Pension, Annuity, IRA, 401K or other form of retirement; I do NOT draw/receive income from them. I own Real Estate. I owe/pay a mortgage on this property: No Yes Owe: \$___ I own Real Estate and I am currently renting the property to others. Monthly rent amount: \$ ___ I own Real Estate and I am in the process of selling the property. Or, I have a reverse mortgage. I own Real Estate and I hold a mortgage or Deed of Trust (I'm selling the property on contract). I have a Life Insurance Policy (exclude Term Life). I hold personal property as an investment (Coin collections, gems, antique cars, etc.). I have other forms of assets not specified above. Source: I have disposed of assets for more than \$1,000 less than Fair Market Value (FMV) during the past 2 years. I have cash-on-hand. The amount is: \$ ➤ Total household assets are: □ Over \$5.000 -OR-Under penalty of perjury, I certify that the information provided in this certification is true and correct to the best of my knowledge. The undersigned further understands that providing false representations berein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement. Signature of Applicant/Tenant

NOTE: Section 1001 of Title 18 of the US Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OHCS Programs Applicant/Tenant Questionnaire (5/2017)

WHICH INCOME IS COUNTED AND WHICH INCOME IS NOT?

		OTHER INCOME (including		
MEMBERS	EMPLOYMENT INCOME	income from assets)		
Head of Household	YES	YES		
Spouse	YES	YES		
Co-head	YES	YES		
Other adult (including foster adult)	YES	YES		
Child Under 18 (including foster children)	NO	YES		
Full time student over 18	**SEE NOTE**	YES		
Foster child under 18	NO	YES		
NON MEMBERS				
Live-in Aide	NO	NO		
**the earned income of a full-time student 18 years old or older who is a dependent is counted up				
to	\$480 per year**			

For more information on dependent income, see <u>HUD's 4350.3 Occupancy Requirements of Subsidized</u>
<u>Multifamily Housing Programs, Chapter 5: Determining Income and Calculating Rent</u> Section 5-6 (page 7-9)

PART III. GROSS ANNUAL INCOME

	PART III. GROSS ANNUAL INCOME					
HH Mbr #	(A) Employment or Wages	(B) Social Security / Pensions	(C) Public Assistance	(D) Other Income		
TOTALS	TOTALS					
Add total	Add totals from above, (A) - (D), to determine total income. TOTAL INCOME (E) =					

PHB uses <u>HUD's 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs</u>, <u>Chapter 5: Determining Income and Calculating Rent</u>, to assess income using the gross income calculations (we do not use adjusted income with deductions)

TIPS for 3rd Party Verification

- can be written, verbal or electronic
 - Bank statements
 - Notarized documents
 - Paystubs
- Benefits award letter for TANF, SSI, etc
 - Child support award letter
 - Letter from family member

HOW TO CALCULATE INCOME

Calculation Method	Examples
Hourly Wages by the number of hours worked per week	\$11.25 per hour x 2080 hours per year = \$23,400
Weekly wages by 52 weeks	\$190 per week x 52 = \$9,880
Bi-weekly wages by 26 weeks	\$500 bi-weekly x 26 weeks = \$13,000
Semi-monthly wages by 24 weeks	\$400 twice a month x 24 pay periods = \$9,600
Monthly wages by 12 months	\$1,000 per month x 12 months = \$12,000

Incomes sources can be simple and/or complex, let's look at a few examples!

HOUSEHOLD #1: SIMPLE

- Alex and Pat are both adults. Pat works year round and Alex works seasonally.
 - Pat makes \$15.00/hr working 32 hours/week and does not expect a raise this year
 - Alex works as a delivery driver during the holiday season, making \$18 an hour, 30 hours/week for three months of the year
- Pat: \$15 x 32 hours x 52 weeks = \$24,960
- Alex: \$18 x 30 hours x 12 weeks = \$6,480
- Total Household Income: \$31,440

	PART III. GROSS ANNUAL INCOME					
HH Mbr #	(A) Employment or Wages	(B) Social Security / Pensions	(C) Public Assistance	(D) Other Income		
1	24,960					
2	6,480					
TOTALS	TOTALS 31,440					
Add total	Add totals from above, (A) - (D), to determine total income. TOTAL INCOME (E) = 31,440					

HOUSEHOLD #2: COMPLEX

John is an hourly worker with an inconsistent schedule

- John makes \$14.00/hr and expects a \$0.50 raise in 6 months.
- John works part time, usually <u>15</u> <u>20</u> hours a week.
- (\$14 x 17.5 hours x 26 weeks) + (\$14.50 x 17.5 hours x 26 weeks) = \$6,370+ \$6,597.50 = \$12,967.50

John receives tips at his job

- John's employer verifies his tips at \$100-\$300/week.
- $$200.00 \times 52 \text{ weeks} = $10,400$
- \$12,967.50 + \$10,400 = \$23,367.50

- John receives TANF support monthly of \$332
 - $$332 \times 12 = $3,984$
- John's daughter receives Social Security survivor benefits of \$1,144 a month
 - $\$1,144 \times 12 = \$13,728$

	PART III. GROSS ANNUAL INCOME						
HH Mbr #	(A) Employment or Wages	(B) Social Security / Pensions	(C) Public Assistance	(D) Other Income			
1	23,367.50	0	3,984	0			
2		13,728					
TOTALS	23,367.50	13,728	3,984	0.00			
Add total	ls from above, (A) - (D), to determin	TOTAL INCOME (E) =	\$41,079.50				

WANT MORE EXAMPLES OF INCOME CALCULATION?

Refer to the calculating income section of the <u>HUD Handbook</u>!

Examples - Irregular Employment Income

<u>Seasonal work.</u> Clyde Kunkel is a roofer. He works from April through September. He does not work in rain or windstorms. His employer is able to provide information showing the total number of regular and overtime hours Clyde worked during the past three years. To calculate Clyde's anticipated income, use the average number of regular hours over the past three years times his current regular pay rate, and the average overtime hours times his current overtime rate.

Sporadic work. Justine Cowan is not always well enough to work full-time. When she is well, she works as a typist with a temporary agency. Last year was a good year and she worked a total of nearly six months. This year, however, she has more medical problems and does not know when or how much she will be able to work. Because she is not working at the time of her recertification, it will be best to exclude her employment income and remind her that she must return for an interim recertification when she resumes work.

Examples – Income of Temporarily Absent Family Members

- John Chouse works as an accountant. However, he suffers from a disability that periodically requires lengthy stays at a rehabilitation center. When he is confined to the rehabilitation center, he receives disability payments equaling 80% of his usual income.
 - During the time he is not in the unit, he will continue to be considered a family member. The owner will conduct an interim recertification. Even though he is not currently in the unit, his total disability income will be counted as part of the family's annual income.
- Mirna Martinez accepts temporary employment in another location and needs a portion of her income to cover living expenses in the new location. The full amount of the income must be included in annual income.
- Charlotte Paul is on active military duty. Her permanent residence is her parents' assisted unit where her husband and children live. Charlotte is not currently exposed to hostile fire. Therefore, because her spouse and children are in the assisted unit, her military pay must be included in annual income. (If her dependents or spouse were not in the unit, she would not be considered a family member and her income would not be included in annual income.)

Examples - Regular Cash Contributions

- The father of a young single parent pays her monthly utility bills. On average he provides \$100 each month. The \$100 per month must be included in the family's annual income.
- The daughter of an elderly tenant pays her mother's \$175 share of rent each month. The \$175 value must be included in the tenant's annual income.

PART IV: INCOME FROM ASSETS

- There are two ways we analyze assets: I. The actual cash value of the asset and 2. The income the asset produces
 - **F:** type of asset (checking account, savings account, CDs, money markets, retirement accounts, real property)
 - G: is it a current asset or did the tenant disposed of the asset for less than fair market value in past 2 years
 - **H**: cash value of the asset
 - I: annul income from asset
- Time to look at column H to see if this amount is MORE than \$5,000 or LESS than \$5,000...

Column G refers to Current or Imputed, in this case Current means the family currently holds the asset and Imputed would be used if the family has disposed of the asset for less than fair market value within two years of effective date of the certification

	PART IV. INCOME FROM ASSETS						
HH		(F)	(G)	(H)	(I)		
Mbr#		Type of Asset	C/I	Cash Value of Asset	Annual Income from Asset		
		Current Passbook	TOTALS				
Enter Column (H) Rate % Total (If over \$5,000) \$ X			\$ (J)	IMPUTED INCOME (J) =			
Enter th	e greater of: Total						

Further guidance available in HUD 4350.3 Chapter 5
Note: Passbook Savings Rate changed from 2% to .06% in 2015

Example – Use Actual Income from Assets When Total Net Family Assets are \$5,000 or Less

Type of Asset	Cash Value	Actual Yearly Income
Certificate of Deposit \$1,000 withdrawal fee \$50 interest @ 4%	\$950	\$40
Savings Account \$500 interest @ 2.5%	\$500	\$13
Stock \$300 Not paying dividends	\$300	\$0
Total	\$1,750	\$53

The total cash value of the family's assets is \$1,750. Therefore, the amount that is added to annual income as income from assets is the actual income earned or \$53.

Example – Determining Income from Assets When Net Family Assets Exceed \$5,000

Type of Asset	Cash Value	Actual Yearly Income
Checking Account (non- interest bearing)	\$455	\$0
Savings Account (interest at 2.5%)	\$6,000	\$150
Stocks (not paying dividends this year)	\$3,000	\$0
Total	\$9,455	\$150

Total cash value of assets is greater than \$5,000. Therefore, it is necessary to compare the actual income from assets to the imputed income from assets.

The total cash value of assets (\$9,455) is multiplied by .06% to determine the imputed income from assets.

 $.0006 \times \$9,455 = \$5.67 = \$6$

\$6 is less than the actual income from assets (\$150).

In this case, therefore, the owner will add \$150 to the annual income calculation as income from assets.

INCOME FROM ASSETS EXAMPLES

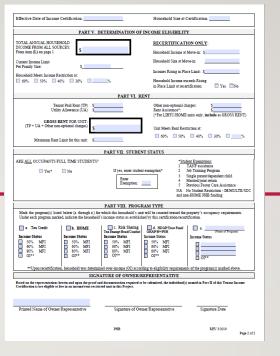
TOTALING INCOME AND HOUSEHOLD INCOME

(AND TENANT SIGNATURE/DATE)

Add (E) + (K)	TOTAL AN	NUAL HOUSEHOLD INCOME F	ROM ALL SOURCES (L) =	
		HOUSEHOLD CERTIFICATION	& SIGNATURES	
there are changes to the h	ousehold composition		anticipated annual income and assets. I/we a nt during the course of this tenancy. I/we wi s effect.	
		•	and correct to the best of my/our knowled a) herein constitutes an act of fraud and r	_
Resident	Signature	Signature Date	Resident Signature	Signature Date
Resident	t Signature	Signature Date	Resident Signature	Signature Date

All household members who will be 18 or older at the certification effective date must sign the TIC

PAGE 2 OF THE TIC



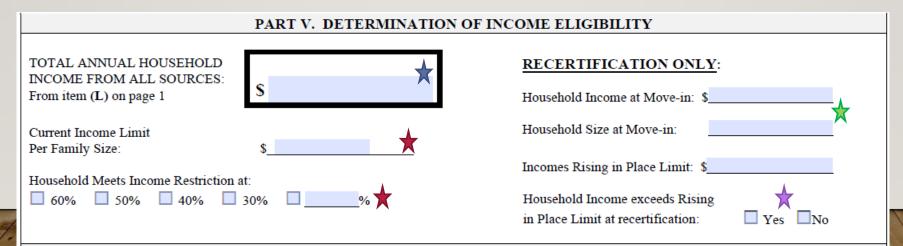
Effective Date of Income Certification:

Household Size at Certification:

Both of these fields are pulled from page one of TIC

PART V. DETERMINATION OF INCOME ELIGIBILITY

- ★ Fill in total household income (this comes from total on first page of TIC)★
- ★ Compare household income and size to the appropriate AMI/MFI chart found here to determine which threshold of affordability is met (should be less than or equal to regulatory restriction) and fill in restriction level (% AMI/MFI) and Current Income Limit (max income) ★
- Review household's move-in TIC for move-in income and household size
- Determine your program's income rising in place limit and indicate if exceeded (program specific)



EFFECTIVE DATE = WHICH AMI/MFI INCOME LIMITS TO USE

Examples

- I. If the effective date on the TIC is 4/23/19, you will use the 2018 limits, NOT the 2019 limits.
- 2. If the effective date on the TIC is 4/25/19, you will use the 2019 limits, NOT the 2018 limits.

		Ме	dian Inco	me Percen	tages 201	(effective	e 4/1/201	8)		
Household Size	30%	40%	45%	50%	55%	60%	65%	80%	100%	120%
1	\$17,100	\$22,800	\$25,650	\$28,500	\$31,350	\$34,200	\$37,050	\$45,600	\$56,980	\$68,376
2	\$19,560	\$26,080	\$29,340	\$32,600	\$35,860	\$39,120	\$42,380	\$52,160	\$65,120	\$78,144
3	\$21,990	\$29,320	\$32,985	\$36,650	\$40,315	\$43,980	\$47,645	\$58,640	\$73,260	\$87,912
4	\$24,420	\$32,560	\$36,630	\$40,700	\$44,770	\$48,840	\$52,910	\$65,120	\$81,400	\$97,680
5	\$26,400	\$35,200	\$39,600	\$44,000	\$48,400	\$52,800	\$57,200	\$70,400	\$87,912	\$105,494
6	\$28,350	\$37,800	\$42,525	\$47,250	\$51,975	\$56,700	\$61,425	\$75,600	\$94,424	\$113,309
7	\$30,300	\$40,400	\$45,450	\$50,500	\$55,550	\$60,600	\$65,650	\$80,800	\$100,936	\$121,123
8	\$32,250	\$43,000	\$48,375	\$53,750	\$59,125	\$64,500	\$69,875	\$86,000	\$107,448	\$128,938

		Med	lian Incon	ne Percent	ages 2019	(effective	4/24/20	19)		
Household Size	30%	40%	45%	50%	55%	60%	65%	80%	100%	120%
1	\$18,480	\$24,640	\$27,720	\$30,800	\$33,880	\$36,960	\$40,040	\$49,280	\$61,530	\$73,836
2	\$21,120	\$28,160	\$31,680	\$35,200	\$38,720	\$42,240	\$45,760	\$56,320	\$70,320	\$84,384
3	\$23,760	\$31,680	\$35,640	\$39,600	\$43,560	\$47,520	\$51,480	\$63,360	\$79,110	\$94,932
4	\$26,370	\$35,160	\$39,555	\$43,950	\$48,345	\$52,740	\$57,135	\$70,320	\$87,900	\$105,480
5	\$28,500	\$38,000	\$42,750	\$47,500	\$52,250	\$57,000	\$61,750	\$76,000	\$94,932	\$113,918
6	\$30,600	\$40,800	\$45,900	\$51,000	\$56,100	\$61,200	\$66,300	\$81,600	\$101,964	\$122,357
7	\$32,700	\$43,600	\$49,050	\$54,500	\$59,950	\$65,400	\$70,850	\$87,200	\$108,996	\$130,795
8	\$34,830	\$46,440	\$52,245	\$58,050	\$63,855	\$69,660	\$75,465	\$92,880	\$116,028	\$139,234

2019: https://www.portlandoregon.gov/phb/article/731546
2018: https://www.portlandoregon.gov/phb/article/684577

PART VI. RENT

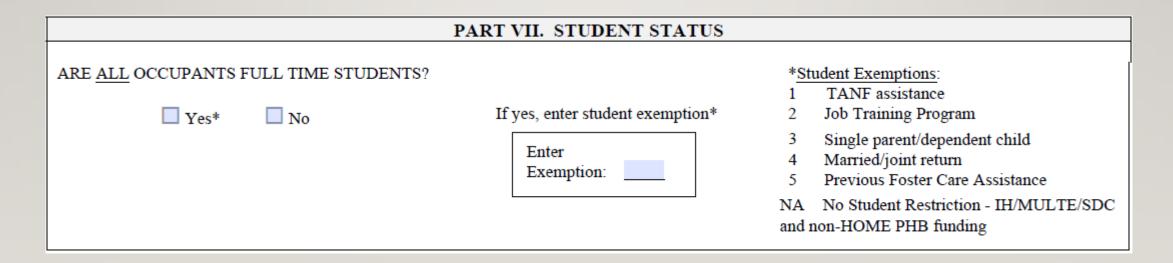
- **TP**: what the tenant pays out of pocket
- **UA**: enter the utility allowance amount for the unit type (program determines this methodology)
- Non-optional charges: any other required fee, such as mandatory garage rent or required renter's insurance
 - Rent assistance: amount of voucher or other rent assistance received
 - Follow directions for adding up gross rent!

	PART VI. RENT	,
Tenant Paid Rent (TP) Utility Allowance (UA)		Other non-optional charges: \$
GROSS RENT FOR UNIT: (TP + UA + Other non-optional charges)	\$	Unit Meets Rent Restriction at:
Maximum Rent Limit for this unit:	\$	□ 60% □ 50% □ 40% □ 30% □ <u></u> %

PART VII. STUDENT STATUS

Student status is specific to STATE and FEDERAL funding.

- If you have HOME or LIHTC, you must fill this out.
- If you don't have HOME or LIHTC, you will write NA in the exemption box.

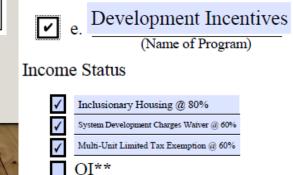


PART VIII. PROGRAM TYPE

• Indicate which programs apply to the unit and at what affordability level the tenant/applicant qualifies at.

		PART VIII. PROG	RAM TYPE	
			nit will be counted toward the place hed by this certification/recert	property's occupancy requirements. ification.
PHB Funds	HOME	MULTE	Inclusionary Housing	e. (Name of Program)
Income Status	Income Status	Income Status	Income Status	Income Status
☐ 50% MFI ☐ 60% MFI ☐ 80% MFI ☐ OI**	50% MFI (Low) 65% MFI (High) 80% MFI OI**	60% MFI 80% MFI 100% MFI OI**	60% MFI 80% MFI 100% MFI OI**	OI**
**Upon recertification	n, household was determin	ed over-income (OI) accor	rding to eligibility requiremen	ts of the program(s) marked above.

You can fill in multiple programs if needed using the blank fields



WHAT TO DO IF THE TENANT IS OVER INCOME AT RECERTIFICATION?

- Look at your regulatory agreement and/or administrative rules.
 - The language found in the project's regulatory or restrictive agreements will explain next steps to bring your specific project or unit back to compliance.
 - MULTE and IH have administrative rules. Check those too!
 - MULTE Administrative Rules
 - IH Administrative Rules

SIGNA	ATURE OF OWNER/REPRESENTATIVE	
	d documentation required to be submitted, the individual(s)	named in Part II of this Tenant Income
Jackie London	Jackie London	03 11 19
Printed Name of Owner/Representative	Signature of Owner/Representative	Signature Date

SIGNATURE OF OWNER/REPRESENTATIVE

SIGN AND DATE BY THE EFFECTIVE DATE OF THE CERTIFICATION

SUMMARY

- You will use the TIC to determine # of PEOPLE in household.
- You will then use the QUESTIONNAIRE to determine all sources of income
- You will calculate TOTAL HOUSEHOLD ANNUAL INCOME using the TIC
- You will then compare the TOTAL HOUSEHOLD ANNUAL INCOME to the appropriate AMI/MFI limits to ensure applicant/tenant is income eligible.
- You will then use MAX MONTHLY RENT listed on the AMI/MFI chart to ensure rent is not more than the maximum monthly rent, per HUD guidelines.
- You will keep the TIC and QUESTIONNAIRE in the tenant file.

DONE!

- Congrats!
- You've completed the Tenant Income Certification
- Questions?

