TENANT INCOME CERTIFICATION (TIC)

DETERMINING INCOME AND ELIGIBILITY
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 PHB website

MAKE SURE YOU ARE USING THE CORRECT TIC!

1. PHB TIC (MULTE, SDC and IH use this TIC)

2. HOME or HOME/PHB TIC (HOME only, or HOME+PHB Funding)

3. HOME funding and LIHTC (HOME+LIHTC)

4. 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
EFFECTIVE DATE VS. MOVE-IN DATE

- **Move-In Date**: Actual date that the tenant moved in initially OR when the tenant will move in

- **Effective Date**: Date the income determination is effective
MORE ON 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)

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>County:</th>
<th>BIN:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit #:</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Bedrooms:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART II. HOUSEHOLD COMPOSITION

- Who is living in the home? Or who will be living in the home? *(exception: live in caretakers)*

- Include children, foster children, infants, and any child that is living, or will be living, in the home at least 51% of the time.

- Last 4 of social-if applicant does not have one, 0000 is sufficient for PHB

<table>
<thead>
<tr>
<th>HH Mbr #</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>Relation to Head of Household</th>
<th>Race</th>
<th>Ethnicity</th>
<th>Disabled (Yes/No)</th>
<th>Date of Birth (Yes/No)</th>
<th>Full Time Student (Yes/No)</th>
<th>Last 4 Digits of SS#</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<tr>
<td>3</td>
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<td>4</td>
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</tr>
</tbody>
</table>
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
WHICH INCOME IS COUNTED AND WHICH INCOME IS NOT?

<table>
<thead>
<tr>
<th>MEMBERS</th>
<th>EMPLOYMENT INCOME</th>
<th>OTHER INCOME (including income from assets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Household</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Spouse</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Co-head</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Other adult (including foster adult)</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Child Under 18 (including foster children)</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Full time student over 18</td>
<td><strong>SEE NOTE</strong></td>
<td>YES</td>
</tr>
<tr>
<td>Foster child under 18</td>
<td>NO</td>
<td>YES</td>
</tr>
</tbody>
</table>

| 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 [HUD’s 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs, Chapter 5: Determining Income and Calculating Rent](https://example.com) Section 5-6 (page 5-7)
PART III. GROSS ANNUAL INCOME

PHB uses [HUD’s 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs, Chapter 5: Determining Income and Calculating Rent](https://www.hud.gov/), to assess income using the gross income calculations (we do not use adjusted income with deductions).
3rd Party Verification of Income

- At MOVE-IN: All programs will verify income and assets at move-in
- When a new adult is being added to the home mid-certification, verify new adult’s income
- HOME has specific rules around 3rd party verification. Please refer to your HOME Restrictive Agreement and the HOME Manual.
TIPS FOR 3^{RD} 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
Incomes sources can be simple and/or complex, let’s look at a few examples!

<table>
<thead>
<tr>
<th>Calculation Method</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly Wages by the number of hours worked per week</td>
<td>$11.25 per hour x 2080 hours per year = $23,400</td>
</tr>
<tr>
<td>Weekly wages by 52 weeks</td>
<td>$190 per week x 52 = $9,880</td>
</tr>
<tr>
<td>Bi-weekly wages by 26 weeks</td>
<td>$500 bi-weekly x 26 weeks = $13,000</td>
</tr>
<tr>
<td>Semi-monthly wages by 24 weeks</td>
<td>$400 twice a month x 24 pay periods = $9,600</td>
</tr>
<tr>
<td>Monthly wages by 12 months</td>
<td>$1,000 per month x 12 months = $12,000</td>
</tr>
</tbody>
</table>
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
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 15 – 20 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 TANF support monthly of $332
  • $332 x 12 = $3,984

• John’s daughter receives Social Security survivor benefits of $1,144 a month
  • $1,144 x 12 = $13,728

• John receives tips at his job
  • John’s employer verifies his tips at $100-$300/week.
  • $200.00 x 52 weeks = $10,400

• $12,967.50 + $10,400 = $23,367.50

<table>
<thead>
<tr>
<th>HH Mbr #</th>
<th>(A) Employment or Wages</th>
<th>(B) Social Security / Pensions</th>
<th>(C) Public Assistance</th>
<th>(D) Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23,367.50</td>
<td>0</td>
<td>3,984</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>13,728</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>23,367.50</td>
<td>13,728</td>
<td>3,984</td>
<td>0.00</td>
</tr>
</tbody>
</table>

TOTAL INCOME (E) = $41,079.50
WANT MORE EXAMPLES OF INCOME CALCULATION?

- Refer to the calculating income section of the **HUD Handbook**!

**Examples – Irregular Employment Income**

**Seasonal work.** Clyde Kunikel 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 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.

- Mima 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: 1. 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**: annual 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.

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

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

<table>
<thead>
<tr>
<th>Type of Asset</th>
<th>Cash Value</th>
<th>Actual Yearly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of Deposit</td>
<td>$950</td>
<td>$40</td>
</tr>
<tr>
<td>$1,000 withdrawal fee</td>
<td>$50</td>
<td></td>
</tr>
<tr>
<td>interest @ 4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Account</td>
<td>$500</td>
<td>$13</td>
</tr>
<tr>
<td>$500 interest @ 2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>$300</td>
<td>$0</td>
</tr>
<tr>
<td>$300 Not paying dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,750</td>
<td>$53</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Type of Asset</th>
<th>Cash Value</th>
<th>Actual Yearly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Account (non-interest bearing)</td>
<td>$455</td>
<td>$0</td>
</tr>
<tr>
<td>Savings Account (interest at 2.5%)</td>
<td>$6,000</td>
<td>$150</td>
</tr>
<tr>
<td>Stocks (not paying dividends this year)</td>
<td>$3,000</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$9,455</td>
<td>$150</td>
</tr>
</tbody>
</table>

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 x $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.
TOTALING INCOME AND HOUSEHOLD INCOME
(AND TENANT SIGNATURE/DATE)

Add (E) + (K) \[ \text{TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES (L)} = \]

<table>
<thead>
<tr>
<th>HOUSEHOLD CERTIFICATION &amp; SIGNATURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income and assets. I/we agree to notify the landlord immediately if there are changes to the household composition or if any member becomes a full time student during the course of this tenancy. I/we will report any changes in income or household composition that occurs between the time this form is signed and the date it takes effect.</td>
</tr>
<tr>
<td>Under penalties of perjury, I/we certify that the information presented above is true and correct to the best of my/our knowledge and belief. I/we further understand that providing false representations (to include misleading or incomplete information) herein constitutes an act of fraud and may result in the termination of my/our lease.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resident Signature</th>
<th>Signature Date</th>
<th>Resident Signature</th>
<th>Signature Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Signature</td>
<td>Signature Date</td>
<td>Resident Signature</td>
<td>Signature Date</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PART V. DETERMINATION OF INCOME ELIGIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: $</td>
</tr>
<tr>
<td>From item (L) on page 1</td>
</tr>
<tr>
<td>Current Income Limit Per Family Size: $</td>
</tr>
<tr>
<td>Household Meets Income Restriction at:</td>
</tr>
<tr>
<td>60% □ 50% □ 40% □ 30% □ %</td>
</tr>
</tbody>
</table>
EFFECTIVE DATE = WHICH AMI/MFI INCOME LIMITS TO USE

Examples

1. 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.

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

<table>
<thead>
<tr>
<th>Tenant Paid Rent (TP)</th>
<th>$__________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Allowance (UA)</td>
<td>$__________</td>
</tr>
<tr>
<td>Other non-optional charges:</td>
<td>$__________</td>
</tr>
<tr>
<td>Rent Assistance*:</td>
<td>$__________</td>
</tr>
</tbody>
</table>

(*For LIHTC/HOME units only, include as GROSS RENT)

GROSS RENT FOR UNIT: (TP + UA + Other non-optional charges) $__________

Unit Meets Rent Restriction at:

- [ ] 60%
- [ ] 50%
- [ ] 40%
- [ ] 30%
- [ ] ___%
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.

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
SIGNATURE OF OWNER/REPRESENTATIVE

- SIGN AND DATE BY THE EFFECTIVE DATE OF THE CERTIFICATION

Jackie London
Printed Name of Owner/Representative

Jackie London
Signature of Owner/Representative

03/11/19
Signature Date
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.