



1300 Broad Street N  
Jacksonville, FL 32202

Phone: 904-630-3810

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## Public Notice

Jacksonville Housing Authority seeks Public Comment on the Admissions and Continued Occupancy Plan (ACOP) revisions and additions.

The Jacksonville Housing Authority invites all interested parties to review and comment on the ACOP Housing Opportunity Through Modernization Act of 2016 (HOTMA) updates. The JHA's revisions and additions are available for review on the JHA's website during the period of Tuesday, May 21, 2024, to Friday July 5, 2024.

Written comments may be submitted by email to [taubuchon@jaxha.org](mailto:taubuchon@jaxha.org) or postmarked before midnight, July 5, 2024, sent to the following address:

Jacksonville Housing Authority  
Attn: Todd Aubuchon  
1300 Broad St. N  
Jacksonville, FL 32202



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Current ACOP Language	Updated ACOP Language
Chapter 3 Introduction	7 <sup>th</sup> Bullet Added: “Meet net asset and property ownership restriction requirements.”
Chapter 3 Introduction  <u>Part III: Denial of Admission.</u> This part covers factors related to an applicant’s past or current conduct (e.g., criminal activity) that can cause the PHA to deny admission.	Part III: Denial of Admission: This part covers factors related to an applicant’s past or current conduct (e.g., criminal activity) that can cause the JHA to deny admission <i>as well as the asset limitation for public housing.</i>
Chapter 3, Section 3-I.B. Family and Household [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/03/12, and Notice PIH 2014-20]	3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/03/12, and Notice PIH 2014-20, <b>Notice PIH 2023-27, and FR Notice 2/14/23]</b>
Chapter 3, Section 3-I.B. Family and Household  <b>Family</b>  To be eligible for admission, an applicant must qualify as a family. <i>Family</i> as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.	Chapter 3, Section 3-I.B. Family and Household  <b>Family</b>  To be eligible for admission, an applicant must qualify as a family. <i>Family</i> as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, <b>displaced person</b> , disabled person, near-elderly person, or any other single person; or <b>an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5) (H) of the Social Security Act (42 U.S.C. 675 (5) (H)), and is homeless or is at risk of becoming homeless at age of 16 or older</b> or a group of persons residing together. Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.



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Current ACOP Language	Updated ACOP Language
3-I.F. DEPENDENT [24 CFR 5.603]	3-I.F. DEPENDENTS AND MINORS [24 CFR 5.603]
HUD did not previously define a minor.	<i>A minor is a member of the family, other than the head of family or spouse, who is under 18 years of age.</i>
3-I.K. FOSTER CHILDREN AND FOSTER ADULTS	3-I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]
<i>Foster adults</i> are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c)(2)].	<i>A foster adult is a member of the household who is 18 years of age older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency (e.g. public child welfare) or by judgment, decree, or other order of any court of competent jurisdiction.</i>
3-I.K. FOSTER CHILDREN AND FOSTER ADULTS The term <i>foster child</i> is not specifically defined by the regulations	3-I.K. FOSTER CHILDREN AND FOSTER ADULTS <i>A foster child is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g. public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.</i>
3-I.K. FOSTER CHILDREN AND FOSTER ADULTS <b><u>JHA Policy</u></b> A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under short-term or long-term foster care arrangement with the custodial agency.	3-I.K. FOSTER CHILDREN AND FOSTER ADULTS <b><u>JHA Policy</u></b> <i>A foster child or foster adult may be allowed to reside in the unit if their presence would not overcrowd the unit.</i>



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Current ACOP Language	Updated ACOP Language
<p>3-II.A. INCOME ELIGIBILITY AND TARGETING Using Income Limits for Eligibility [24 CFR 960.201]</p>	<p>3-II.A. INCOME ELIGIBILITY AND TARGETING Using Income Limits for Eligibility [24 CFR 960.201 and <b>Notice PIH 2023-27</b>]</p>
<p>Income limits are used to determine eligibility at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a <i>low-income</i> family.</p>	<p>Income limits are used to determine eligibility at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a <i>low-income</i> family. <b>Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards.</b></p>
<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]</p>	<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232]</p>
<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]</p> <p>HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, the form HUD-52675, Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.</p>	<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232]</p> <p>HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, the form HUD-52675, Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. <b>The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.</b></p>



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Current ACOP Language	Updated ACOP Language
<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]</p> <p>The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].</p>	<p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232]</p> <p>The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b) <b>and 24 CFR 5.232(a)</b>].</p> <p><b>However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24CFR 5.232 (c)].</b></p> <p><b><u>JHA Policy</u></b></p> <p><b>The JHA has established a policy that the family's revocation of consent to allow the JHA to access records from financial institutions will result in denial of admission.</b></p>
<p>3-II.E. EIV SYSTEM SEARCHES [Notice PIH 2018-18; EIV FAQs; EIV System Training 9/30/20]</p>	<p>3-II.E. EIV SYSTEM SEARCHES [EIV FAQs; EIV System Training 9/30/20 <b>and Notice PIH 2023-27</b>]</p>



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Current ACOP Language	Updated ACOP Language
<p>3-III.A. OVERVIEW</p> <p>HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16].</p>	<p>3-III.A. OVERVIEW</p> <p>HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. <b>HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.</b></p>



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Current ACOP Language	Updated ACOP Language
<p>Regulation does not exist in current policy</p>	<p>3-III. C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24CFR 5.618]</p> <p>There are two circumstances under which a family is ineligible for the program based on asset ownership.</p> <p>First, assistance may not be provided to any family if the family's net assets exceed \$100,000.00 (adjusted annually by HUD).</p> <p>Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:</p> <ul style="list-style-type: none"> <li>➤ A present ownership interest in real property.</li> <li>➤ A legal right to reside in the real property; and</li> <li>➤ The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) real property.</li> </ul> <p>However, the real property restriction does not apply in the following circumstances:</p> <ul style="list-style-type: none"> <li>➤ Any property for which the family is receiving assistance for a manufactured home under 24CFR 982.620 or under the HCV Homeownership program.</li> <li>➤ Any property that is jointly owned by a member of the family and least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property.</li> <li>➤ Any family that is offering the property for sale; or</li> <li>➤ Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.</li> </ul>



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Current ACOP Language	Updated ACOP Language
<p>Regulation does not exist in current policy</p>	<p>3-III. C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24CFR 5.618] continued...</p> <ul style="list-style-type: none"> <li>➤ When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.</li> </ul> <p>A property is considered suitable for occupancy unless the family demonstrates that it:</p> <ul style="list-style-type: none"> <li>➤ Does not meet the disability-related needs for all members of the family (e.g. physical accessibility requirements, disability-related need to additional bedrooms, proximity to accessible transportation, etc.)</li> <li>➤ Is not sufficient for the size of the family.</li> </ul> <p><b><u>JHA Policy</u></b> The JHA defines not sufficient for the size of the family as being overcrowded based on the JHA's occupancy standards in Chapter 5.</p>





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Current ACOP Language	Updated ACOP Language
Regulation does not exist in current policy	3-III. C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24CFR 5.618] continued... <ul style="list-style-type: none"> <li>➤ Is geographically located to be a hardship for the family (e.g., the distance or commuting time between the property and family’s place of work or school would be a hardship to the family, as determined by the PHA or owner).</li> <li>➤ Is not safe to reside in because of the physical condition of the property (e.g., property’s physical condition poses a risk to the family’s health and safety and the condition of the property cannot be easily remedied) or</li> <li>➤ Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.</li> </ul>
3-III.C OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE	3-III.D OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE
3-III.D. SCREENING	3-III.E. SCREENING
3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION	3-III.F. CRITERIA FOR DECIDING TO DENY ADMISSION
3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING	3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING
3-III.G. NOTICE OF ELIGIBILITY OR DENIAL	3-III.H. NOTICE OF ELIGIBILITY OR DENIAL



Current ACOP Language	Updated ACOP Language
<p>Chapter 6</p> <p><u>Part I: Annual Income.</u> HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.</p> <p><u>Part II: Adjusted Income.</u> Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.</p> <p><u>Part III: Calculating Rent.</u> This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.</p>	<p>Chapter 6</p> <p><u>Part I: Annual Income.</u> HUD regulations specify the sources of income <b>which are excluded from the family's annual income.</b> These requirements and PHA policies for calculating annual income are found in Part I.</p> <p><u>Part II: Assets.</u> <b>HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and PHA policies for calculating income from assets are found in Part II.</b></p> <p><u>Part III Adjusted Income.</u> Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies <b>and allow the PHA to adopt additional permissive deductions.</b> These requirements and PHA policies for calculating adjusted income are found in Part II.</p> <p><u>Part IV Calculating Rent.</u> This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice of rents.</p>



Current ACOP Language	Updated ACOP Language
<p>6-I.A. OVERVIEW</p> <p>The general regulatory definition of <i>annual income</i> shown below is from 24 CFR 5.609.</p>	<p>6-I.A. OVERVIEW [24 CFR 5.609]</p> <p>Annual income includes:</p>
<p>5.609 Annual income.</p> <p>(a) Annual income means all amounts, monetary or not, which:</p> <p>(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or</p> <p>(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and</p> <p>(3) Which are not specifically excluded in paragraph [5.609(c)].</p> <p>(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.</p>	<ul style="list-style-type: none"> <li>• All amounts, not specifically excluded in 24CFR 5.609(b);</li> <li>• All amounts received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse.</li> <li>• Unearned income by or on behalf of each dependent who is under 18 years of age; and</li> <li>• Imputed returns of an asset on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually) and the actual returns from a given asset cannot be calculated.</li> </ul>
<p>In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:</p> <p>Annual Income Inclusions (Exhibit 6-1)</p> <p>Annual Income Exclusions (Exhibit 6-2)</p> <p>Treatment of Family Assets (Exhibit 6-3)</p> <p>Earned Income Disallowance (Exhibit 6-4)</p> <p>The Effect of Welfare Benefit Reduction (Exhibit 6-5)</p> <p>Sections 6-I. B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are</p>	<p>In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike previous version of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609 (b) to provide scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.</p>



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Current ACOP Language	Updated ACOP Language
<p>6-I.A. OVERVIEW continued...</p>	<p>6-I.A. OVERVIEW <b>[24 CFR 5.609]</b></p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].</p> <p>Annual income also includes all actual anticipated income from assets (provides the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations establishing policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:</p> <p>Annual Income <b>Full Definition</b> (Exhibit 6-1)</p> <p>Treatment of Family Assets (Exhibit 6-2)</p> <p>The Effect of Welfare Benefit Reduction (Exhibit 6-3)</p>



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Current ACOP Language	Updated ACOP Language
<p>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</p> <p>Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.</p>	<p>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</p> <p><b>Overview</b></p> <p>Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition <b>in accordance with HUD regulations and PHA policies in Chapter 9</b>. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.</p>

Current Chart located in Chapter 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(a)(1)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)].  All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)].  All other sources of income, except those specifically excluded by the regulations, are included.



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Updated Chart located in Chapter 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is <b>(both earned and unearned)</b> excluded [24 CFR 5.609 <b>(b)(8)</b> ].
Foster child or foster adult	Income from all sources <b>(both earned and unearned)</b> is excluded [24 CFR 5.609 <b>(b)(8)</b> ].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included. <b>[24 CFR 5.609 (a)]</b>
<b>Minors</b>	<b>Earned</b> income <b>of children under 18 years of age</b> is excluded [24 CFR 5.609 <b>(b)(3)</b> ].  All other sources of <b>unearned</b> income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	<b>Earned</b> income <b>more than the dependent deduction</b> is excluded [24 CFR 5.609 <b>(b)(14)</b> ].  All other sources of <b>unearned</b> income, except those specifically excluded by the regulations, are included.



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Current ACOP Language	Updated ACOP Language
<p>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</p> <p><b>Temporarily Absent Family Members</b></p> <p>The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].</p> <p><b><u>JHA Policy</u></b></p> <p>An individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.</p>	<p>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</p> <p><b>Temporarily Absent Family Members</b></p> <p>The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus permanent absence.</p> <p><b><u>JHA Policy</u></b></p> <p>Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.</p> <p>Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.</p>
<p><b><i>Absences Due to Placement in Foster Care</i></b></p> <p>Children temporarily absent from the home because of placement in foster care are considered members of the family [24 CFR 5.403].</p> <p><b><u>JHA Policy</u></b></p> <p>If a child has been placed in foster care, the JHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.</p>	<p><b><i>Absences Due to Placement in Foster Care</i></b></p> <p>Children temporarily absent from the home because of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].</p> <p><b><u>JHA Policy</u></b></p> <p>If a child has been placed in foster care, the JHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will continue to be counted as a family member.</p>





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Current ACOP Language	Updated ACOP Language
<p><b><i>Individuals Confined for Medical Reasons</i></b></p> <p><b><u>JHA Policy</u></b></p> <p>An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.</p> <p>If there is a question about the status of a family member, the JHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.</p>	<p><b><i>Family Members Confined for Medical Reasons</i></b></p> <p>If a family member is confined to a nursing home or hospital on a permanent basis, PHAs may determine that that person is no longer a member of the assisted household, and the income of that person is not counted [New PH OCC GB, <i>Income Determinations, p.12</i>].</p> <p><b><u>JHA Policy</u></b></p> <p>The JHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.</p> <p>When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.</p>





Current ACOP Policy	Updated ACOP Policy
<p><b>6-I.C. ANTICIPATING ANNUAL INCOME</b></p> <p>The PHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.</p> <p><b>Basis of Annual Income Projection</b></p> <p>The PHA will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:</p> <ul style="list-style-type: none"> <li>• An imminent change in circumstances is expected [HCV GB, p. 5-17]</li> <li>• It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal, or cyclic income) [24 CFR 5.609(d)]</li> <li>• The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]</li> </ul> <p>PHAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third-party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].</p> <p>HUD allows PHAs to use tenant-provided documents to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data</p>	<p><b>6-I.C. CALCULATING ANNUAL INCOME</b></p> <p>The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.</p> <p><b><u>Anticipating Annual Income [24 CFR 5.609 (c)(1)]</u></b></p> <p>At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.</p>



Current ACOP Policy	Updated ACOP Policy
<p data-bbox="201 394 737 426"><b>6-I.C. ANTICIPATING ANNUAL INCOME</b></p> <p data-bbox="201 447 342 478"><b><u>JHA Policy</u></b></p> <p data-bbox="201 499 800 730">When EIV is obtained and the family does not dispute the EIV employer data, the JHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the JHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.</p> <p data-bbox="201 751 800 877">The JHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:</p> <p data-bbox="201 898 688 930">If EIV or other UIV data is not available,</p> <p data-bbox="201 951 800 1014">If the family disputes the accuracy of the EIV employer data, and/or</p> <p data-bbox="201 1035 800 1098">If the JHA determines additional information is needed.</p> <p data-bbox="201 1119 800 1318">In such cases, the JHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the JHA annualized projected income.</p> <p data-bbox="201 1339 800 1602">When the JHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the JHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.</p> <p data-bbox="201 1623 800 1854">Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the JHA to show why the historic pattern does not represent the family's anticipated income.</p>	<p data-bbox="823 394 1359 426"><b>6-I.C. CALCULATING ANNUAL INCOME</b></p> <p data-bbox="823 468 964 499"><b><u>JHA Policy</u></b></p> <p data-bbox="823 510 1419 825">When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of <b>temporary, sporadic, variable employment</b>, seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.</p> <p data-bbox="823 867 1419 1098">Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.</p> <p data-bbox="823 1140 1419 1287"><b>In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the JHA annualized projected income.</b></p>



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<p><b>Projecting Income</b></p> <p>In HUD’s EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.</p>	<p>Section Removed</p>
<p><b>Section Does Not Exist in Current Policy</b></p>	<p><b><u>Calculating Annual Income at Annual Reexamination [24CFR 960.609 (c)(2); Notice PIH 2023-27]</u></b></p> <p>At annual reexamination PHAs must first determine the family’s income for the previous 12-month period and use this amount as the family income for annual reexamination; however, adjustments to reflect the current income must be made. Any change of income since the family’s last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policy in Chapter 9 and HUD regulations, must be considered. If however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family’s rent. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are located in Chapter 9.</p>



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Current ACOP Policy	Updated ACOP Policy
<p><b>6-I.D. EARNED INCOME</b></p> <p><b>Types of Earned Income Included in Annual Income</b></p> <p><b><i>Wages and Related Compensation [24 CFR 5.609(b)(1)]</i></b></p> <p>The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income.</p>	<p><b>6-I.D. EARNED INCOME</b></p> <p><b><i>Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]</i></b></p> <p>The earned income of each family member who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of income varies [24 CFR 5.609 (b)(24)]</p> <p>Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and government subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].</p> <p>A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603 (b)].</p> <p>A seasonal worker is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24CFR 5.603(b)] Some examples of seasonal work include employment limited to holiday or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver. [Notice PIH 2023-27].</p>



Current ACOP Policy	Updated ACOP Policy
<p><b><u>JHA Policy</u></b> For persons who regularly receive bonuses or commissions, the JHA will verify, and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the JHA will use the prior year amounts. In either case the family may provide, and the JHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the JHA will count only the amount estimated by the employer. The file will be documented appropriately</p>	<p><b><u>JHA Policy</u></b> <i>The PHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation.</i>  For persons who regularly receive bonuses or commissions, the JHA will verify, and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the JHA will use the prior year amounts. In either case the family may provide, and the JHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the JHA will count only the amount estimated by the employer. The file will be documented appropriately</p>
<p>Chapter 6 page 108 <b>Types of Earned Income <u>Not</u> Counted in Annual Income</b> <b><i>Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]</i></b>  This type of income (including gifts) is not included in annual income.  <b><u>JHA Policy</u></b>  Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.</p>	<p>Chapter 6 page 108 <b><i>Headings and Policy Removed regarding sporadic income.</i></b></p>



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<p><b>Children’s Earnings [24 CFR 5.609(c)(1)]</b></p> <p>Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of <i>foster children</i>.)</p>	<p><b>Earnings of a Minor [24 CFR 5.609 (b)(3)]</b></p> <p>A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.</p>
<p><b>Certain Earned Income of Full-Time Students</b></p> <p>Earnings more than \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].</p>	<p><b>Earned Income of Full-Time Students [24 CFR 5.609 (b)(14)]</b></p> <p>The earned income of a dependent full-time student more than the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.</p> <p>A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis. [24 CFR 5.603 (b)]. Full -time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, Lease Requirements, p.5].</p>





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<p><b>Income of a Live-in Aide</b> Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)</p> <p><b>Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]</b> Income from some federal programs is specifically excluded from consideration as income, including:</p> <p>Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)</p> <p>Awards under the federal work-study program (20 U.S.C. 1087 uu)</p> <p>Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))</p> <p>Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))</p> <p>Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)</p> <p><b>Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]</b></p> <p>Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA, 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, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period.</p>	<p>Sections removed from the updated policy.</p>



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6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255, Streamlining Final Rule (SFR) Federal Register 3/8/16]

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.

Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255, Streamlining Final Rule (SFR) Federal Register 3/8/16, [Notice PIH 2023-27](#)]

**HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.**



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Current ACOP Policy	Updated ACOP Policy
<p><b><i>Lifetime Limitation</i></b></p> <p>The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.</p>	<p><b><i>Lifetime Limitation</i></b></p> <p>The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance. <b>The EID will sunset on January 1, 2026. In no circumstance will a family member's exclusion period continue past January 1, 2026.</b></p>
<p><b>Individual Savings Accounts [24 CFR 960.255(d)]</b></p> <p><b><u>JHA Policy</u></b></p> <p>The JHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.</p> <p><u><i>The following rules pertaining to ISAs do not apply to this public housing program.</i></u></p> <p>A qualified family paying income-based rent may choose an ISA instead of being given the EID. The PHA must advise the family that the ISA option is available. Families who choose the ISA will pay the higher rent and the PHA will deposit the difference between the higher rent and the EID rent in the savings account.</p> <p>Amounts deposited to ISAs may only be withdrawn for the following reasons:</p> <ul style="list-style-type: none"> <li>Because the family is purchasing a home</li> <li>To pay education costs of family members</li> <li>Because the family is moving out of public or assisted housing</li> <li>To pay any other expenses the PHA authorizes to promote economic self-sufficiency.</li> </ul>	<p><b>Individual Savings Accounts [24 CFR 960.255(d)]</b></p> <p><b>The PHA may, but is not required to, establish a policy to offer a qualified family paying income-based rent an ISA instead of being given the EID.</b></p> <p><b><u>JHA Policy</u></b></p> <p>The JHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.</p> <p><b>Remainder of the section removed.</b></p>



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The PHA is required to maintain ISAs in interest bearing accounts, for which the family is credited with interest earned. The PHA may not charge the family a fee for maintaining the account.

At least once each year the PHA must provide the family with a statement of the balance in their account, including any interest earned, if required by state law.

**JHA Policy**

When applicable, the JHA will provide the family with a statement of the balance in their account, including any interest earned, annually and upon request when the family makes withdrawals from the account.

If the family moves out of public housing, the PHA must return the balance in the family’s ISA, less any amounts the family owes the PHA.

Current ACOP Policy	Updated ACOP Policy
<p><b>6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]</b></p> <p>Annual income includes “the net income from the operation of a business or profession.</p>	<p><b>6-I.F. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]</b></p> <p>Annual income includes “the net income from the operation of a business or profession. <i>Net income is gross income minus business expenses that allows the business to operate. Gross income is all income amounts received into the business, prior to the deduction of business expenses.</i></p>



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Current ACOP Policy	Updated ACOP Policy
<p><b>6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]</b></p> <p>There is no current JHA policy.</p>	<p><b>6-I.F. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]</b></p> <p><b><u>JHA Policy</u></b></p> <p>To determine business expenses that may be deducted from gross income, the JHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [See IRS publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.</p>
<p>Independent Contractors is not discussed in current JHA ACOP.</p>	<p><b><u>Independent Contractors</u></b></p> <p>Income received as an independent contract is included in annual income, even if the source, date, or amount of income varies [24CFR 2.609 (b)(24)].</p> <p>An independent contractor is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24CFR 5.603(b)].</p>



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Current ACOP Policy	Updated ACOP Policy
<p>Current ACOP does not address Assets Owned by a Business Entity.</p>	<p><b><u>Assets Owned by a Business Entity</u></b></p> <p>If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business' assets. However, if the family holds the asset in their own name (e.g. they own one-third of a restaurant) rather than in the name of the business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant)[Notice PIH 2023-27].</p>
<p><b>6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]</b></p> <p>The Assets section has been removed and replaced with a new section.</p>	<p><b>6-I.G. STUDENT FINANCIAL ASSISTANCE [24CFR 5.609(b)(9).</b></p> <p>Due to the size of the updated regulations regarding student financial assistance, it will not be placed in the chart but rather included on the next five (5) pages. This section is new and is not addressed in the current ACOP.</p>



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## **6-I.G. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]**

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students.

### **Types of Assistance**

Any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) must be excluded from the family's annual income [24CFR 5.609(b)(9)(i)].

Examples of assistance under Title IV of the HEA include:

- Federal Pell Grants
- Teach Grants
- Federal Work Study Programs
- Federal Perkins Loans
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA) or
- Bureau of Indian Affairs/Education student Assistance Programs
  - The Higher Education Tribal Grant
  - The Tribally Controlled Colleges or Universities Grant Program

Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the Federally mandated income exclusions are excluded [24CFR 5.609(b)(9)(ii)]. *Actual covered costs* are defined as the actual costs of:

- Tuition, books, and supplies
  - Including supplies and equipment to support students with learning disabilities or other disabilities.
- Room and board; and
- Other fees required and charged to a student by the education institution.
-



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For a student who is not the head of household or spouse/cohead, actual covered costs also include reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, books, supplies, room and board, or other fees required and charged to the student by the education institution.
- To assist a student with the costs of higher education, or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The federal assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government
- A state, tribal, or local government
- A private foundation registered as a nonprofit.
- A business entity (such as corporation, general partnership, limited liability company, limited liability partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education

Student financial assistance does not include:

- Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.



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## **Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]**

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

### **JHA Policy**

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the JHA will exclude the full amount of assistance received under Title IV from the family's income. The JHA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the JHA will first calculate the actual covered costs to the student in accordance with 24CFR 5.609(b)(ii). The JHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The JHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

- Actual covered costs: \$20,000
- Other student financial assistance: \$25,000
- Excluded income: \$20,000 (\$25,000 in financial assistance-\$20,000 in actual covered costs)
- Included income \$5,000





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When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance would be excluded from income.

#### **Example 2**

- Actual covered costs: \$25,000
- Title IV HEA assistance: \$26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: \$5,000
- Excluded income: The entire Title IV HEA assistance of \$26,000
- Included income: All other financial assistance of \$5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

#### **Example 3**

- Actual covered costs: \$22,000
- Title IV HEA assistance \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$7,000 (\$22,000 in actual covered costs- \$15,000 in Title IV HEA assistance)
- Other Student Financial Assistance: \$5,000
- \$7,000 in remaining actual covered costs - \$5,000 in other financial assistance
- Excluded income: \$15,000 entire amount of the Title IV HEA assistance + \$5,000 in other financial assistance.
- Included income: \$0.



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#### **Example 4**

- Actual covered costs: \$18,000
- Title IV HEA Assistance \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$3,000 (\$18,000 in actual covered costs- \$15,000 in Title IV HEA assistance)
- Other student Financial Assistance: \$5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by \$2,000 (\$3000 in actual covered costs -\$5,000 in other financial assistance).
- Included income: \$2,000 (the amount by which the financial aid exceeds the student's actual covered costs).



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<p><b>6-I.H. PERIODIC PAYMENTS</b></p> <p>Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.</p> <p><b>Periodic Payments <u>Included</u> in Annual Income</b></p> <p>Periodic payments from sources such as <u>social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions</u>. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].</p> <p><u>Disability or death benefits and lottery receipts</u> paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]</p> <p><b>Lump-Sum Payments for the Delayed Start of a Periodic Payment</b></p> <p>Most lump sums received because of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].</p>	<p><b>6-I.H. PERIODIC PAYMENTS [Notice PIH 2023-27]</b></p> <p>Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are not included in annual income. <b>Regulations do not specify which types of periodic payments are included in annual income.</b></p> <p><b>Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family’s annual income because its nonrecurring income. However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period greater than one year that can be extended. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family’s next annual reexamination. This income is fully excluded from annual income.</b></p> <p><b>Insurance payments and settlements for personal or property losses including but not limited to payments under health insurance, motor vehicle insurance, and workers’ compensation are excluded from annual income. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers’ compensation are included in annual income.</b></p>



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Current ACOP	Updated ACOP
<p><b>6-I-H. Lump-Sum Payments for the Delayed Start of a Periodic Payment</b></p> <p>Most lump sums received because of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].</p> <p><b><u>JHA Policy</u></b></p> <p>When a delayed-start payment is received and reported during the period in which the JHA is processing an annual reexamination, the JHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the JHA.</p> <p>See the chapter on reexaminations for information about a family’s obligation to report lump-sum receipts between annual reexaminations.</p>	<p><b>6.I.H Lump-Sum Payments for the Delayed Start of a Periodic Payment <b>24CFR 5.609(b)(16)</b></b></p> <p>Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security Benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.</p> <p><b><u>JHA Policy</u></b></p> <p>When a delayed-start payment is received <b>that is to be included and the family reports this</b> during the period in which the JHA is processing an annual reexamination, the JHA will adjust the <b>family’s</b> rent retroactively for the period the payment was intended to cover.</p> <p><b>If the delayed-start payment is received outside of the time the JHA is processing an annual reexamination, the JHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the JHA will conduct an interim in accordance with JHA policies in Chapter 9. If not, the JHA will consider the amount when processing the family’s next annual recertification.</b></p>



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Current ACOP	Updated ACOP
<p><b>Treatment of Overpayment Deductions from Social Security Benefits</b></p> <p>The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2018-24].</p>	<p>Language Removed from ACOP</p>
<p><b>Periodic Payments <u>Excluded</u> from Annual Income</b></p> <p>Payments received for the <u>care of foster children or foster adults</u> (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2012-1].</p> <p><u>PHA Policy</u></p> <p>The PHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].</p>	<p>Language removed, treatment of income for foster children and foster adults addressed in Exhibit 6-1</p>



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Current ACOP	Updated ACOP
Language is not in current policy	<p><b><u>Retirement Accounts [24CFR 5.609(b)(26): Notice PIH 2023-27]</u></b></p> <p>Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement accounts (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.</p> <p>However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.</p> <p>An asset moved to a retirement account held by a member of the family is not considered to an asset disposed for less than fair market value.</p>



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Current ACOP	Updated ACOP
<p>Language is not included in current policy.</p>	<p><b>Social Security Benefits [Notice PIH 2023-27]</b></p> <p>The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.</p> <p>Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which the federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSA annual income for all annual reexamination and interim reexaminations of family income that have not been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]</p> <p><b><u>JHA Policy</u></b></p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive by which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the JHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount. Further, if a family’s social security income is garnished for any reason, the JHA will use the net amount after the garnishment in order to calculate the family’s income.</p>



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Current ACOP	Updated ACOP
<p>Language is not in current policy</p>	<p><b><u>Alimony and Child Support</u></b>            Annual income includes “all amounts received”, not the amount that a family may be legally entitled to receive by which they do not receive. For example, a family’s child-support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27]</p> <p><b><u>JHA Policy</u></b>            The JHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement.            The JHA will count court-awarded amounts for alimony and child support unless the family certifies and the JHA verifies that the payments are not being made.            To verify that payments are not being made, the JHA will review child support payments over the last three months.            If payments are being made regularly, the JHA will use the amount received during the last 12 months (excluding any lump sums received). If payment has been made less than 12 months, the JHA will average all payments that have been made.            At new admission or interim recertification, if any lump sum payments were made in the last 12 months, the JHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.            If JHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.</p>





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Current ACOP	Updated ACOP
	<p>Alimony and Child Support continued...</p> <p>If the JHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.</p> <p>If no payments have been made in the past three months and there is no lump sums, the JHA will not include alimony or child support in annual income.</p>
<p><b>6-I.I. PAYMENTS IN LIEU OF EARNINGS</b></p> <p>Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)</p>	<p><b>6-I.I. NONRECURRING INCOME[24CFR 5.609(b)(24) and Notice PIH 2023-27]</b></p> <p>Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.</p> <p>Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.</p> <p>Income that has a discrete end date will not be repeated beyond the coming year during the family’s upcoming annual reexamination period will be excluded from a family’s annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.</p>



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Current ACOP	Updated ACOP
<p>Language is not in current policy</p>	<p>Income amounts excluded under this category may include, but are not limited to: Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;</p> <p>Payments for eviction prevention;</p> <p>Security deposits to secure housing;</p> <p>Payments for participation in research studies (depending on the duration); and</p> <p>General one-time payments received by or on behalf of the family.</p> <p>Nonrecurring income that is excluded under the regulations includes: Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24CFR 5.609 (b)(24)(i)]. Direct federal or state payments intended for economic stimulus or recovery [24CFR 5.609 (b)(24)(v)] Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24CFR 5.609(b)(24)(iii) and (iv)]. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24CFR 5.609(b)(24)(v)] Non-monetary, in-kind donations such as food, clothing, or toiletries received from a food bank or similar organizations [24 CFR 5.609 (b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Nonrecurring, non-monetary in-kind donations from friends and family are excluded as nonrecurring income.</p> <p>Lump sum additions to net family assets, including but not limited to lottery or other contest winnings [24CFR 5.609(b)(24)(vii)].</p>



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**THIS SECTION HAS BEEN REMOVED FROM THE ACOP. THESE TOPICS ARE ADDRESSED IN SECTION 6-I-H PERIODIC PAYMENTS**

**6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

**Alimony and Child Support**

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

**JHA Policy**

The JHA will count court-awarded amounts for alimony and child support unless the JHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

**Regular Contributions or Gifts**

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

**JHA Policy**

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the JHA. For contributions that may vary from month to month (e.g., utility payments), the JHA will include an average amount based upon history.



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Updated Section 6-I.K. As written, this is updated policy as a result of recent regulatory changes.

#### **6-I.K. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24CFR 5.609(b)(19)]**

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies or other authorized agencies.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments made to a family member for caregiving services for someone who is not a member of the assisted unit (such as a relative that resides elsewhere) are not excluded income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded income.

#### **6-I.L. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23] New Section**

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited



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money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed \$50,000 (as annually adjusted by an inflationary factor), then income will be imputed on the net family assets pursuant to 24CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination will be required unless the addition to the family's net family's assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.



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**Section “M” is a new section because of adding the Civil Rights Settlement Section to the ACOP. Changes in 6-I.M will be reflected in red.**

#### **6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

Reimbursement of medical expenses [24 CFR 5.609(c)(4)]

The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)].

##### **JHA Policy**

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.

Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]

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) [(24 CFR 5.609(c)(8)(ii)]

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 [24 CFR 5.609(c)(10)]

Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]

Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

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 [24 CFR 5.609(c)(16)]

Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
- (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))



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- (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))





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- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109-249)
- (v) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations
- (aa) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance



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#### **6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24CFR 5.609(b)]**

Other exclusions contained in 24 CFR 5.609(b) that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24CFR 5.609(b)(4)]
- Insurance payments and settlements for personal property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24CFR 5.609(b)(5)] However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income [Notice PIH 2023-27]
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)]
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any covered education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 or such code [24 CFR 5.609 (b)(10)].
- Income earned by government contributions to, and distributions from "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609 (b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609 (b) (17)] This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse. [Notice PIH 2023-27]
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car)[24 CFR 5.609 (b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].
- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent that such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609 (b)(21)]



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Generally, payments received by tribal members in excess of the first \$2000.00 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of *annual income* in 24CFR 5.609, the Census Long Form, and the IRS Form 1040, including programs affected by Notice PIH 2023-27.

- Replacement housing “gap” payments made in accordance with 49CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased costs of rent and utilities is subsequently eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609 (b)(23)]
- Income earned on amounts placed in a family's Family Self Sufficiency account [24 CFR 5.609 (b)(27)].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii)]
- 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) [(24 CFR 5.609(b)(12)(i)]
- Amounts received under a resident services stipend not to exceed \$200.00 per month. A resident services stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of live in the development [24CFR 5.600(b)(12)(iii)]

Incremental earnings and benefits to any family member resulting from participation in qualifying training programs funded by HUD or in a qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training program with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609 (b)(9)(i)[24 CFR 5.609 (b)(12)(iv)]

### **JHA Policy**

The JHA defines *training program* as a “learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain



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employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education”[expired Notice PIH 98-2, p.3]

The PHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired PIH Notice 98-2 pp. 3-4]

In calculating the incremental difference, the JHA will use as the pre-enrollment income the total annualized amount

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 [24 CFR 5.609(c)(10)]

Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]

Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

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 [24 CFR 5.609(c)(16)]

Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:

- (c) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (d) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
- (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (f) Payments or allowances made under the Department of Health and Human Services’ Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))



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- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)



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- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109-249)
- (v) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations
- (aa) Distributions from an ABLÉ account, and actual or imputed interest on the ABLÉ account balance





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The updated Chapter 6 Part II of the Admissions and Continued Occupancy Plan (ACOP) details the updated regulations on Assets. Chapter 6 Part III will now detail Adjusted Income. The following are all updated regulations and JHA policies as it pertains to Assets.

## **Part II: ASSETS**

### **6-II. A OVERVIEW**

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3.

Income from assets is always anticipated, irrespective of the income examination type.

#### **JHA Policy**

The JHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The JHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months, or (3) the JHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real estate property that typically receives rental income, but the property is currently vacant, the JHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

If current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases, the family may present information and documentation to the JHA to show why the asset income determination does not represent the family's anticipated asset income.





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## **6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]**

PHAs must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. [Notice PIH 2023-27]

### **Minimum Threshold**

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may not establish a policy to ignore small amounts of such as charitable contributions [New PH OCC GB, *Income Determinations*, p.24]

#### **JHA Policy**

The JHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the last two years exceeds the gross amount received for the assets by more than \$1000.00.

### **Separation or Divorce**

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

#### **JHA Policy**

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

### **Foreclosure or Bankruptcy**

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.



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### **Assets Owned by a Business Entity**

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the of the business' assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of the business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant)[Notice PIH 2023-27].

### **Family Declaration**

#### **JHA Policy**

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The JHA may verify the value of the assets disposed of if other information available to the JHA does not appear to agree with the information reported by the family.

## **6-II.C ASSET INCLUSIONS AND EXCLUSIONS**

### **Checking and Savings Accounts [Notice PIH 2023-27]**

HUD considers bank accounts as non-necessary items of personal property. Whether or not necessary personal property is counted toward net family assets depends on the combined value of all of the family assets.

- When the combined value of net family assets is greater than \$50,000, as adjusted by inflation, checking and/or savings accounts would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.



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### **ABLE Accounts [24CFR 5.609(b)(10); Notice PIH 2019-09]**

An Achieving A Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

### **Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603 (b)(1)]**

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than \$50,000, as adjusted by inflation, financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's financial investments such as stocks and bonds would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed \$50,000 as adjusted by inflation, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is \$0.00. When the stock never issues dividends, the actual return is \$0.00.

### **JHA Policy**

The JHA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.



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The cash value of such an asset is determined by deducting from the market values any broker fees, penalties for early withdrawals, or other costs of converting the asset to cash.

In determining the market value of an investment account, the JHA will use the value of the account on the most recent investment report.

**Necessary and Non-Necessary Personal Property [24CFR 5.603(b)(3)(i)]**

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

*Personal property* includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets.

HUD defines *necessary personal property* as items essential to the family for maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with disabilities, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all non-necessary items of personal property is only included in annual income when the combined total value exceeds \$50,000 (adjusted annually). When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.



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<b><u>Necessary Personal Property</u></b>	<b><u>Non-Necessary Personal Property</u></b>
<p>Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)</p> <p>Furniture, carpets, linen, kitchenware</p> <p>Common appliances</p> <p>Common electronics (e.g., radio, television, DVD player, gaming system)</p> <p>Clothing</p> <p>Personal effects that are not luxury items (e.g., toys, books)</p> <p>Wedding and engagement rings</p> <p>Jewelry used in religious/cultural celebrations and ceremonies.</p> <p>Religious and cultural items</p> <p>Medical equipment and supplies</p> <p>Healthcare related supplies</p> <p>Musical instruments used by the family.</p> <p>Personal computers, phones, tablets, and related equipment.</p> <p>Professional tools of trade of the family, for example professional books</p> <p>Educational materials and equipment used by the family, including equipment to accommodate a person with disabilities.</p> <p>Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)</p>	<p>Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles ATVs)</p> <p>Bank accounts or other financial investments (e.g., checking accounts, savings accounts, stocks/bonds)</p> <p>Recreational boat/watercraft</p> <p>Expensive jewelry without religious or cultural value, or which does not hold family significance.</p> <p>Collectibles (e.g., coins/stamps)</p> <p>Equipment/machinery that is not used to generate income for a business.</p> <p>Items such as gems/precious metals, antique cars, artwork etc.</p>

**JHA Policy**

In determining the value of non-necessary personal property, the JHA will use the family's estimate value. The JHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50.00 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.



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**Lump-Sum Additions to Net Family Assets [24CFR 5.609 (b)(24)(viii); Notice PIH 2023-27]**

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's asset will trigger an immediate interim reexamination of income in accordance with Chapter 9. This examination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of the family's income certification period and the PHA chooses not to conduct the examination.

For a discussion of lump-sum payments that represent the delayed start of periodic payments, most of which are counted as income, see sections 6-I.H and 6-I.I

**JHA Policy**

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIP FAQs]. For example, if the family receives a \$1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward the net family assets.



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### **Trusts [24CFR 5.609(b)(4)]**

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The following types of trust distributions are excluded from annual income:

- Distributions of the principal or corpus of the trust; and
- Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Irrevocable trusts are not under the control of any member of the family or household and are not assets. Typically, special needs trusts are considered irrevocable. The value of the trust is not included in net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24CFR 5.603 (b)(4)]. Where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed. If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:

- All distributions from the trusts principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for health and medical expenses for a minor.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

The value of revocable trusts that are not under the control of the family are excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case, the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee. If this is the case, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.





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- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included in as income unless the distribution is used to pay for the health and medical expenses for a minor.

Revocable trusts under the control of the family or household (e.g., the grantor is a member of the assisted family or household) are considered assets and must be included in the net family assets.

If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family. The PHA must county all actual returns (e.g., interest earned) from the trust as income or, if the trust has no actual returns (e.g., if the trust is comprised of farmland that is not in use) and the total value of the combined net family assets exceeds \$50,000 (as that amount is updated for inflation), as imputed returns, as applicable.

#### **Life Insurance [FR Notice 02/14/2023 and Notice PIH 2023-27]**

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

#### **Tax Refunds [24CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]**

All amounts received by a family member in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered \$0.00.

If the tax refund or refundable tax credit is deposited into another excluded asset, such as a retirement account or a Covered Education Savings Account, then the deposit will have no effect on the balance of the asset (i.e., there is no need for the PHA to subtract the amount of the deposit from the value of the excluded asset.)



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### **Asset Exclusions [24CFR 5.603(b)]**

The following are excluded from the calculations of net family assets:

- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24CFR 5.603(b)(3)(iii)].
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24CFR 5.603(b)(3)(iv)].
  - *Real Property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24CFR 5.100]
  - Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27]
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24CFR 5.603(b)(3)(v)].
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24CFR 5.603(b)(3)(vi)].
- The value of any qualified tuition program under Section 529 of such code [24CFR 5.603(b)(3)(vi)].
- The value of any “baby bond” account created, authorized, or funded by federal, state, or local government [24CFR 5.603(b)(3)(vii)]
- Interest in Indian trust land [24CFR 5.603(b)(3)(vii)].
- Equity in a manufactured home where the family receives assistance under 24CFR part 982 [24CFR 5.603(b)(3)(ix)]
- Family Self-Sufficiency accounts [24CFR 5.603(b)(3)(x)]
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24CFR 5.603(b)(3)(xi)]
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27] and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a family member of the participant family of household [Notice PIH 2023-27]



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#### **6.II.D. DETERMINING INCOME FROM ASSETS**

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27]

##### **Net Family Assets**

*Net family assets* are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investments.

##### **JHA Policy**

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker, and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, *Income Determinations*, p 24].

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

The market value of an asset is its work in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).

The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered \$0.00 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].



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### **Actual Income from Assets**

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of the net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24CFR 5.609 (b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The PHA may determine the net assets of a family based on self-certification by the family that the net family assets do not exceed \$50,000 (adjusted annually by HUD), without taking additional steps to verify the accuracy of the declaration [24CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

The PHA may not calculate or include any imputed income from assets when net family assets total \$50,000 or less [24CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

### **Imputed Income from Assets**

When net family assets exceed \$50,000 (adjusted annually by HUD), the PHA may not rely on self-certification. If actual returns can be calculated, the PHA must include actual income from the asset on Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, the PHA must calculate imputed returns using the HUD-determined passbook rate (for example, real property or non-necessary items of personal property such as recreational boat). If the PHA can compute actual income from some but not all assets, the PHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24CFR 5.609(a)(2)].

An asset with an actual return of \$0.00 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not other years (e.g., due to market performance), the dividend is counted as the actual return when it is



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issued, and when no dividend is issued, the actual return is \$0.00. When the stock never issues dividends, the actual return is consistently \$0.00.



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<p><b>Overview</b> HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount of the family’s adjusted income. Mandatory deductions are found in 24CFR 5.611.</p>	<p><b>Overview</b> HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies <b>and allow the PHA to deduct other permissive deductions in accordance with PHA policy.</b> The resulting amount of the family’s adjusted income. Mandatory deductions are found in 24CFR 5.611.</p>

**Current Mandatory Deductions**

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (PHA) must deduct the following amounts from annual income:

- (1) \$480 for each dependent.
- (2) \$400 for any elderly family or disabled family.
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family.
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.



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### Updated Mandatory Deductions

5.611 *Adjusted income* means annual income (as determined under §5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions.

(a) *Mandatory deductions*

- (1) \$480 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of \$25).
- (2) \$525 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of \$25).
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
  - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family.
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and
- (4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

Current ACOP	Updated ACOP
Language is not in current ACOP	<p><b>Chapter 6.III.A Anticipating Expenses</b></p> <p>When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date of reexam which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the <i>PH Occupancy Guidebook</i> states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB <i>Income Determinations</i>, p.30]. For annual reexaminations, the PHA will use information for the previous 12-month period.</p>





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<p><b>6-II.B. DEPENDENT DEDUCTION</b></p> <p>An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. A <i>dependent</i> is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].</p>	<p><b>6-III.B. DEPENDENT DEDUCTION</b></p> <p>An allowance of \$480 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25 [24 CFR 5.611(a)(1)]). A <i>dependent</i> is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].</p>
<p><b>6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION</b></p> <p>A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An <i>elderly family</i> is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a <i>disabled family</i> is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].</p>	<p><b>6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION</b></p> <p>A single deduction of \$525 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(2)].</p> <p>An <i>elderly family</i> is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a <i>disabled family</i> is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].</p>



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<p><b>6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]</b></p> <p>Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.</p> <p>The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least sixty-two or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].</p> <p><b>Definition of Medical Expenses</b></p> <p>HUD regulations define <i>medical expenses</i> at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”</p>	<p><b>6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24CFR 5.611(a)(3)(i)]</b></p> <p>Unreimbursed <b>health and medical care</b> expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed <b>ten</b> percent of annual income.</p> <p><b>This</b> deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.</p> <p><b>Definition of Medical Expenses</b></p> <p>HUD regulations define <i>health and medical care expenses</i> at 24 CFR 5.603(b) to mean “<b>any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.</b>”</p> <p>Medical insurance premiums continue to be eligible health and medical care expenses. Health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.</p> <p>Although HUD revised the definition of <i>health and medical care expenses</i> to reflect the Internal Revenue Services (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies with IRS Publication 502 for determining which expenses are included in HUD’s mandatory deduction for health and medical care expenses. PHAs must review each expense and determine whether it is eligible in accordance with HUD’s definition of <i>health and medical care expense</i>.</p>



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<p><b><u>JHA Policy</u></b></p> <p>The most current IRS Publication 502, <i>Medical and Dental Expenses</i>, will be used as a reference to determine the costs that qualify as medical expenses.</p> <table border="1" data-bbox="204 600 1313 1289"> <thead> <tr> <th colspan="2" data-bbox="204 600 1313 653"><b>Summary of Allowable Medical Expenses from IRS Publication 502</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="204 653 764 716">Services of medical professionals</td> <td data-bbox="764 653 1313 716">Substance abuse treatment programs</td> </tr> <tr> <td data-bbox="204 716 764 779">Surgery and medical procedures that are necessary, legal, non-cosmetic</td> <td data-bbox="764 716 1313 779">Psychiatric treatment</td> </tr> <tr> <td data-bbox="204 779 764 842">Services of medical facilities</td> <td data-bbox="764 779 1313 842">Ambulance services and some costs of transportation related to medical expenses</td> </tr> <tr> <td data-bbox="204 842 764 905">Hospitalization, long-term care, and in-home nursing services</td> <td data-bbox="764 842 1313 905">The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</td> </tr> <tr> <td data-bbox="204 905 764 968">Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</td> <td data-bbox="764 905 1313 968">Cost and continuing care of necessary service animals</td> </tr> <tr> <td data-bbox="204 968 764 1031">Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)</td> <td data-bbox="764 968 1313 1031">Medical insurance premiums or the cost of a health maintenance organization (HMO)</td> </tr> </tbody> </table> <p><b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.</p>	<b>Summary of Allowable Medical Expenses from IRS Publication 502</b>		Services of medical professionals	Substance abuse treatment programs	Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment	Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses	Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)	Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals	Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)	<p><b>Policy Removed.</b></p>
<b>Summary of Allowable Medical Expenses from IRS Publication 502</b>															
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Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses														
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Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals														
Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)														



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<p><b>Families That Qualify for Both Medical and Disability Assistance Expenses</b></p> <p><b><u>JHA Policy</u></b></p> <p>This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.</p> <p>When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the JHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p>	<p><b>Families That Qualify for Both <b>Health and</b> Medical and Disability Assistance Expenses</b></p> <p><b><u>JHA Policy</u></b></p> <p>This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.</p> <p>When expenses anticipated by a family could be defined as either <b>a health and</b> medical <b>care</b> or disability assistance expenses, the JHA will consider them <b>health and</b> medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p>
<p><b>6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]</b></p> <p>Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.</p>	<p><b>6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]</b></p> <p><b>Unreimbursed</b> reasonable expenses for attendant care and auxiliary apparatus for <b>each member of the family who is a person with disabilities</b> may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed <b>ten</b> percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.</p>



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<p><b>Eligible Disability Expenses</b></p> <p>Examples of auxiliary apparatus are provided in the <i>PH Occupancy Guidebook</i> as follows: “Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].</p> <p>HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].</p>	<p>Language Removed</p>
<p><b>Eligible Auxiliary Apparatus</b> <b>JHA Policy</b></p> <p>Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost-of-service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.</p>	<p><b>Eligible Auxiliary Apparatus [Notice PIH 2023-27]</b></p> <p>Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type, or special equipment to assist a person who is deaf or hard of hearing.</p>



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<p><b><i>Eligible Attendant Care</i></b></p> <p>The family determines the type of attendant care that is appropriate for the person with disabilities.</p> <p><b><u>JHA Policy</u></b></p> <p>Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.</p> <p>Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.</p> <p>If the care attendant also provides other services to the family, the JHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care</p>	<p><b><i>Eligible Attendant Care [Notice PIH 2023-27]</i></b></p> <p>Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.</p> <p>The family determines the type of attendant care that is appropriate for the person with disabilities.</p> <p><b><u>JHA Policy</u></b></p> <p>Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.</p> <p>If the care attendant also provides other services to the family, the JHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not a person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent on each activity and/or the number of persons under care.</p>



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## **6.111.G. HARDSHIP EXEMPTIONS [24CFR 5.611(c),(d), and (e)]**

### **Health and Medical Care and Disability Assistance Expenses [24CFR 5.611(c); Notice PIH 2023-27]**

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted more than five percent of annual income. To claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. To claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased in relief or general relief as defined below:

#### **Phased-In Relief**

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024. These families will begin receiving a 24-month phased-in relief at their next annual or interim recertification, whichever occurs first.

For these families, the threshold amount is phased-in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the last 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.

When an eligible family's phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or non-interim reexamination transaction.

Prior to the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.





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PHAs must track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move to another public housing unit at the same PHA. When the family is treated as a new admission under a different property/program (e.g., the family moves from public housing to the HCV program), unless the PHA has a written policy to continue the phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA.

### **JHA Policy**

The JHA will not continue the phased-in relief for families who move from the HCV program to public housing. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

### ***General Relief***

The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in the PHA policy) that would not otherwise trigger an interim reexamination.

The family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under the phased-in relief category above. HUD requires that PHAs develop policies defining what constitutes a hardship for the purposes of this exemption.

The PHA must obtain third-party written verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

### **JHA Policy**

To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to a higher threshold) or that the family's financial hardship is a result of a change in circumstances. The JHA defines *change in circumstances* as a decrease in income or increase in other expenses that has resulted in the family's



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financial hardship but does not, on its own, trigger an interim reexam in accordance with PHA policies.

Examples of *circumstances* constituting a financial hardship may include the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits.
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or
- Other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third party documentation prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of the adjusted income and the family rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24CFR 5.611(e)(2)].

### **JHA Policy**

The JHA will decide whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination. If the JHA denies the hardship exemption request, the JHA notice will also state the if the family does not agree with the JHA's determination, the family may request a hearing.

If the family qualifies for an exemption, the JHA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the family will receive a deduction for the sum of eligible expenses that exceed five percent of annual income.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are not long applicable or after 90 days, whichever is earlier. However, the PHA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues. PHA are not limited to a maximum number of 90-day extensions. PHAs must



establish written policies requiring families to report if the circumstances that made them eligible for the hardship exemption are no longer applicable.

### **JHA Policy**

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The JHA will extend relief for an additional 90-days if the family demonstrates to the JHA's satisfaction that the family continues to qualify for the hardship exemption based on the circumstances described above. The JHA will require updated verification based on the family's current situation. Additional extension may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the JHA may terminate the hardship exemption if the JHA determines that the family no longer qualifies for the exemption.

### **Childcare Expense Hardship Exemption [24CFR 5.611(d) and Notice PIH 2023-27]**

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to the PHA's satisfaction that the family is unable to pay their rent because of the loss of the childcare expense deduction, and that the childcare expense is still necessary even though the family member is not working, looking for work, or seeking to further their education, the PHA must recalculate the family's adjusted income and continue the childcare deduction.

The PHA must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

### **JHA Policy**

For a family to qualify, they must demonstrate that their inability to pay rent would be because of the loss of this deduction. The JHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining the rent, utility payment, and applicable expenses (childcare expense or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills that have affected their ability to pay their rent.

The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The JHA will consider qualification under this criterion on a case-by-case basis (for example, if the family member



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who was employed has left their job to provide uncompensated care to an elderly family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the JHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in determination of adjusted income and the family's rent resulting from hardship exemptions.

If the PHA denies the request, the notice must specifically state the reason for the denial. PHAs must provide families 30 days' notice of any increase in rent.

If the PHA approves the request, the notice must inform the family of when the hardship exemption will begin and expire. [24CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to the PHA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. [Notice PIH 2023-27]

### **JHA Policy**

The JHA will decide whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a grievance hearing.

If the family qualifies for an exemption, the JHA will include all required information listed above as well as information on how to request a 90-day extension based on the family's circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period up to 90 days.

The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension(s). PHAs must develop policies requiring family to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must notify the family if the hardship exemption is no longer necessary, and the hardship exemption will be terminated because the circumstances that made the family eligible for the

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exemption, are no longer applicable. The notice must state the termination date and provide 90 days notice of the rent increase, if applicable.

### **JHA Policy**

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The JHA will extend relief for an additional 90 days if the family demonstrates to the JHA's satisfaction that the family continues to qualify for the hardship exemption. The JHA will require updated verification based on the family's current circumstances. Additional extensions may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the JHA may terminate the hardship exemption if the JHA determines that the family no longer qualifies for the exemption.



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Current ACOP	Updated ACOP
<p><b>6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]</b></p> <p>Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].</p> <p>The <i>Form HUD-50058 Instruction Booklet</i> states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.</p> <p><b><u>JHA Policy</u></b></p> <p>The JHA has opted not to use permissive deductions.</p>	<p><b>6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(i)]</b></p> <p>The PHA may adopt additional permissive deductions from annual income if they establish policy in the ACOP. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.</p> <p>If the PHA chooses to adopt permissive deductions, the PHA is not eligible for an increase in Capital Fund or Operating Fund formula grants based on the application of those deductions. The PHA must establish a written policy for such deductions.</p> <p>The <i>Form HUD-50058 Instruction Booklet</i> states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.</p> <p><b><u>JHA Policy</u></b></p> <p>The JHA has opted not to use permissive deductions.</p>



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Current ACOP	Updated ACOP
<p><b>7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2018-24]</b></p> <p>The PHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.</p> <p><b><u>JHA Policy</u></b></p> <p>The JHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the JHA within 90 days.</p>	<p><b>7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2023-27]</b></p> <p>While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available. If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.</p> <p><b><u>JHA Policy</u></b></p> <p>The JHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available</p>
<p><b>Language was not included.</b></p>	<p>For self-employed individuals who claim they do not have to file tax returns, the PHA will obtain a completed copy of IRS Form 4506-T to verify that no return has been filed.</p> <p>For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or Door Dash), the PHA will provide a format for the individual to declare their income and expenses. The PHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.</p>





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Current policy below

### **7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

#### **Social Security/SSI Benefits**

##### **JHA Policy**

To verify the SS/SSI benefits of applicants, the JHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, the JHA will help the applicant request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the JHA.

To verify the SS/SSI benefits of residents, the JHA will obtain information about social security/SSI benefits through HUD's EIV system and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the JHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, the JHA will help the resident request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the JHA.

#### **Updated Policy Below**

### **7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

#### **Social Security/SSI Benefits**

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the last 120 calendar days) for each family member that receives SS and/or SSI benefits. If the family is unable to provide the



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document or documents, the PHA should help the applicant request a benefit verification letter from SSA's website at [www.ssa.gov](http://www.ssa.gov) or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, the PHA must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

- If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as \$450.80 and EIV displays the amount as \$450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.
- If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must request a current SSA benefit verification letter (dated within the last 120 calendar days) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the participant request a benefit verification letter from SSA's website at [www.ssa.gov](http://www.ssa.gov) or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.
- Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

**Policy has been added to Chapter 7 because of changes in the regulations.**

#### **7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]**

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income, and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

##### **JHA Policy**

The JHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the JHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.



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**Policy has been added to Chapter 7 because of changes in the regulations.**

### **Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]**

The PHA must determine whether a family has present ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapters 3 and 13. At admission and reexam, the PHA may accept a self-certification from the family that the family does not have any present ownership in any real property that is suitable for occupancy. If the family declares they have present ownership in real property, the PHA must obtain third-party verification.

#### **JHA Policy**

Both at admission and reexam, the JHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The JHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If the family declares they have a present ownership in real property, the JHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the JHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

**Policy has been added to Chapter 7 because of changes in the regulations.**

### **7-III.I. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]**

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than \$50,000.



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**Policy in Chapter 8 has been updated in red below.**

### **8-II.B. TYPES OF INSPECTIONS**

#### **Move-In Inspections [24 CFR 966.4(i)]**

The lease must require the PHA and the family to inspect the dwelling unit prior to occupancy to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, must be provided to the tenant and retained in the resident file.

#### **JHA Policy**

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

### **8-II.B. PHA-CONDUCTED INSPECTIONS**

The PHA is obligated to maintain dwelling units and the project in a safe and habitable condition and to make necessary repairs to dwelling units [24CFR 966.4(e)].

#### **Types of PHA-Conducted Inspections**

#### **Move-In Inspections [24 CFR 966.4(i)]**

The lease must require the PHA and the family to inspect the dwelling unit prior to occupancy to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, must be provided to the tenant and retained in the resident file.

#### **JHA Policy**

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

Section on Annual Inspections was removed from ACOP and replaced with Self-Inspections

#### **Annual Inspections [24 CFR 5.705]**

Section 6(f)(3) of the United States Housing Act of 1937 requires that PHAs inspect each public housing project annually to ensure that the project's units are maintained in decent, safe, and sanitary condition. The JHA shall continue using the Uniform Physical Condition Standards (UPCS) in 24 CFR 5, Subpart G, Physical Condition Standards, and Inspection Requirements, to conduct annual project inspections. These standards address the inspection of the site area, building systems and components, and dwelling units.



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### **JHA Policy**

The JHA will inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS).

### **Self-Inspections [24 CFR 5.707]**

All PHAs are required to self-inspect their properties, including all units, to ensure units are maintained in accordance with NSPIRE standards in 24CFR 5.703. As part of the self-inspection process, PHAs must ensure that deficiencies previously cited and repaired as a result of an NSPIRE inspection have not been subsequently failed.

The PHA must maintain the results of self-inspections for three years and must provide the results to HUD upon request.

**The "Repairs" heading is not included in the current ACOP but will be updated in the new ACOP in Chapter 8.**

### **Repairs**

Correction timeframes differ depending on whether repairs are considered emergency or non-emergency repairs.

**The "Special Inspections" heading is not included in the current ACOP but will be updated in the New ACOP in Chapter 8.**

### **Special Inspections**

#### **JHA Policy**

JHA staff may conduct a special inspection for any of the following reasons:

Housekeeping

Unit condition

Suspected Lease Violation

Preventative Maintenance

Routine Maintenance

There is reasonable cause to believe an emergency exists.



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**Section 8-11.C. is new language added to the CFR. This Section was not in the prior ACOP but will be included in the new ACOP.**

### **8-II. C. NSPIRE INSPECTIONS [24CFR 5.705(c); Notice PIH 2023-16]**

During an NSPIRE inspection, REAC inspectors will inspect areas and associated items or components that are listed in the regulations as affirmative requirements and those included within the NSPIRE standards. For most properties, the frequency of NSPIRE inspections is determined by the date of the prior inspection and the score received.

#### **Notice to Residents [Notice PIH 2023-16]**

The PHA must provide notice to all residents as described in 24 CFR 5.711(h) and the lease.

#### **JHA Policy**

The JHA will provide all residents with at least seven days' notice of an NSPIRE inspection. Notice will be provided through multiple communication methods, including by posted notice on each resident's door and through email where applicable. All materials, notices, and communications to families regarding the inspection will be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.

#### **24-Hour Corrections [24 CFR 5.711(c); Notice PIH 2023-16]**

At the conclusion of the NSPIRE inspection, or at the end of the day on multi-day inspections, HUD provides the PHA with a list of Life-Threatening and Severe deficiencies. The PHA must correct all Life-Threatening and Severe deficiencies within 24 hours, with certification of correction submitted to HUD within two business days of receipt of notification of the deficiency.

If permanent repair will take longer than the allowable time in the relevant standard for the deficiency, the PHA must provide HUD with a timeframe for completing permanent repairs and submit evidence that the repair is in progress. Any extension to the allowable time for rectifying the deficiency is allowed only upon HUD approval for good cause.



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### **JHA Policy**

The JHA will correct all Life-Threatening and Severe deficiencies within 24 hours. Correcting the deficiency means the JHA will resolve or sufficiently address the deficiency in a manner that it no longer poses a severe health or safety risk to residents, or the hazard is blocked until permanent repairs can be completed. A correction could include controlling or blocking access to the hazard by performing a temporary relocation of the resident while repairs are made.

While the JHA will complete all repairs expeditiously, if a permanent repair is not possible within 24-hours, the JHA will correct the deficiency by performing an interim repair to remove the health and safety hazard. If the correction is temporary or professional services or materials are unavailable within 24 hours, the PHA will provide a target date for permanent correction. Such interim repairs will be fully completed within a reasonable timeframe approved by HUD.

The family must allow the JHA access to the unit to make repairs.

### **Non-emergency Repairs**

Under NSPIRE, the PHA must correct Moderate deficiencies within 30 days and Low deficiencies within 60 days, or as otherwise provided in the NSPIRE standards. Repairs should be permanent fixes, unless otherwise approved by HUD in writing. HUD may also prescribe timelines in Corrective Action Plans as defined in 24 CFR 902.3 or Corrective Action Agreements as described in 24 CFR 902.105.

### **JHA Policy**

If the JHA is unable to make repairs within the periods identified in the NSPIRE standards due to circumstances beyond the PHA's control (e.g., required parts or services are not available, weather conditions, etc.), the PHA will provide HUD with a timeframe for completing permanent repairs and obtain HUD approval. The PHA will also notify the family of an estimated date of completion.

The family must allow the JHA access to the unit to make repairs.

Except for emergencies, management will not enter the dwelling unit to perform repairs where a pet resides unless accompanied for the entire duration of the repair by the pet owner or responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.





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The section below was removed from the ACOP. Updated Notice PIH 2023-16 eliminated this language.

#### **9-I. B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 960.257]**

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income but is not required to verify non-fixed income amounts. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

#### **JHA Policy**

The JHA will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. The JHA will document in the file how the determination that a source of income was fixed was made.

If a family member with a fixed source of income is added, the JHA will use third-party verification of all income amounts for that family member.

If verification of the COLA or rate of interest is not available, the JHA will obtain third-party verification of income amounts.

Third-party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.



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**Section below was added to ACOP replacing Section 9-I.B. Streamlined Annual Reexaminations**

**9-I.D. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]**

The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination as indicated in Chapter 7 of this policy. The PHA may also use Safe harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at annual reexamination as outlined in Chapter 7 of this policy.

Except when using streamlined or safe harbor income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The PHA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for PHA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

**Step 1:** The PHA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination.
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the PHA's annual reexamination paperwork.



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**Step 2:** The PHA takes into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed, the PHA must use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.
- If the PHA did not perform an interim or there have been changes since the last reexamination, the PHA moves to Step 3.

**Step 3:** If there were changes in annual income not processed by the PHA since the last reexamination, the PHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income. For example, the PHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
  - Year-end statements
  - Paycheck with year-to-date amounts
  - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 9-1 provides detailed examples of how the PHA calculates income from different sources at annual reexamination using the above method.

### **JHA Policy**

When income is calculated using a streamlined income determination or Safe Harbor determination from a means-tested federal public assistance program in accordance with JHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with the JHA or other agency's determination of income or the JHA has other reason to use third-party verification in these circumstances, then the above will apply.



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Section 9-III.C. Changes Affecting Income or Expenses. The language below was removed as housing authorities, must follow guidance issued in Notice PIH 2023-27. All updated language as it pertains to interim reexaminations are in red.

### **PHA-initiated Interim Reexaminations**

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

#### **JHA Policy**

The JHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the JHA will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the 24-month eligibility period.

If the family has reported zero income, the JHA will conduct an interim reexamination every 3 months if the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g., seasonal, or cyclic income), the JHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the JHA will conduct an interim reexamination.

The JHA may conduct an interim reexamination at any time to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.



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### **9-III.D. EFFECTIVE DATES**

#### **Changes Reported Timely [24 CFR 960.257(b)(6) and Notice PIH 2023-27]**

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

#### **Changes Not Reported Timely [24 CFR 960.257(b)(6)(ii) and (iii) and Notice PIH 2023-27]**

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination.

However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination;  
or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.



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### **JHA Policy**

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the JHA will apply the decrease the first of the month following completion of the interim reexamination.

However, the JHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to JHA management operations. The JHA will decide to apply decreases retroactively on a case-by-case basis.

When the JHA applies the results of interim decreases retroactively, the JHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with JHA policies.



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Part V has been added to Chapter 9 of the ACOP. Part V is not in the current ACOP, but has been included to comply with regulations.

## **PART V: NON-INTERIM REEXAMINATION TRANSACTIONS**

### Notice PIH 2023-27

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction.
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after January 1, 2024).
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction.
- Adding or removing a minimum rent hardship.
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult).
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12-month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule.
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule.
- Adding/Updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.





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Current ACOP Language	Updated ACOP Language
<p><b>12-IV.C. TRANSFER OFFER POLICY</b></p> <p><b><u>JHA Policy</u></b></p> <p>Residents will receive two (2) offers of a transfer.</p>	<p><b>12-IV.C. TRANSFER OFFER POLICY</b></p> <p><b><u>JHA Policy</u></b></p> <p>Residents will receive one (1) offer of a transfer.</p>



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Section 13-II.J. OVER INCOME FAMILIES was added to the ACOP. This section did not exist previously. It was been added to comply with updated regulations.

### **13-II.J. OVER\_INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2023-03; FR Notice 2/14/23]**

In the public housing program, an *over-income family* is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

- Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or
- Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

However, a PHA that owns or operates fewer than 250 public housing units may continue to lease public housing units to families whose incomes exceed the low-income limit at initial occupancy in accordance with 24 CFR 960.503. Otherwise, the PHA must establish a continued occupancy policy for over-income families in the ACOP indicating which of the above will occur.

#### **JHA Policy**

For families whose income exceeds the over-income limit for 24 consecutive months, the JHA will not terminate the family's tenancy and will charge the family the alternative non-public housing rent, as well as require the family to sign a new non-public housing lease in accordance with the continued occupancy policies below.

#### **Over-Income Limit [Notice PIH 2023-03]**

The PHA must publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit (VLI) by 2.4, as adjusted for family size.



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**JHA Policy**

The JHA will rely on the following over-income limits. These numbers will be updated within 60 days of HUD publishing new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.

<b>Family Size</b>	1	2	3	4	5	6	7	8
<b>Over-Income Limit</b>								

For families larger than eight persons, the over-income limit will be calculated by multiplying the applicable very low-income limit by 2.4.

**Decreases in Income [24 CFR 960.507(c)(4)]**

If, at any time during the consecutive 24-month period following the initial over-income determination, the PHA determines that the family’s income is below the over-income limit, the PHA’s over-income policies no longer apply to the family. If the PHA later determines that the family’s income exceeds the over-income limit at a subsequent annual or interim reexamination, the family is entitled to a new 24 consecutive month period and new notices under this section.

**JHA Policy**

If, at any time during the 24-month period following the initial over-income determination, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with JHA policy in Chapter 9.

If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The PHA will notify the family in writing within 10 business days of the determination that over-income policies no longer apply to them.



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### **Initial Notice of Over-Income Status [24 CFR 960.507(c)(1); Notice PIH 2023-03]**

If the PHA determines the family has exceeded the over-income limit during an annual or interim reexamination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. Exhibits 13-1 and 13-2 provide sample initial notices based on HUD's model notices.

#### **JHA Policy**

At annual or interim reexamination, if a family's income exceeds the applicable over-income limit, within 10 business days of the determination, the JHA will notify the family in writing of the determination. The notice will state that if the family continues to be over-income for 24 consecutive months, the family will be subject to the JHA's over-income policies. The notice will state that the family may request a hearing if the family disputes the JHA's determination in accordance with JHA policies in Chapter 14. The JHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments.

### **Second Notice of Over-Income Status [24 CFR 960.507(c)(2); Notice PIH 2023-03; Notice PIH 2023-27]**

The PHA must conduct an income examination 12 months after the initial over-income determination, even if the family is paying flat rent, unless the PHA determined the family's income fell below the over-income limit since the initial over-income determination. This includes when the PHA makes an initial determination that a family is over-income during an interim reexamination. In this case the PHA must conduct a second interim reexamination 12 months after the over-income determination unless the family's income falls below the over-income limit during the 24-month period. See Chapter 9 for PHA policies on interims for over-income families.

If the PHA determines the family continues to exceed the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. Additionally, if applicable under PHA policy, the notice must include an estimate (based on current data) of the alternative non-public housing rent for the family's unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination



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that the family has exceeded the over-income limit. Exhibits 13-3 and 13-4 provide sample 12-month notices based on HUD's model notices.

### **JHA Policy**

If a family's income continues to exceed the applicable over-income limit after 12 consecutive months, within 10 business days of the determination, the JHA will notify the family in writing of the determination. The notice will state that if the family continues to be over-income for 24 consecutive months, the family will be subject to the JHA's over-income policies. The notice will provide an estimate of the alternative non-public housing rent applicable to the family at the close of the 24 consecutive month period. The notice will also state that the family may request a hearing if the family disputes the JHA's determination in accordance with JHA policies in Chapter 14. The JHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments.

### **Final Notice of Over-Income Status [24 CFR 960.507(c)(3) and 960.509; Notice PIH 2023-03; Notice PIH 2023-27]**

Unless the PHA determined the family's income fell below the over-income limit since the second over-income determination, the PHA must conduct an income examination 24 months after the initial over income determination, even if the family is paying flat rent. When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct an interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period.

If the family continues to be over-income based on this determination, the PHA must provide written notification of this determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 24 consecutive months and that the PHA will follow its continued occupancy policies for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. Exhibits 13-5 and 13-6 provide sample 24-month notices based on HUD's model notices.

### **JHA Policy**

If a family's income exceeds the applicable over-income limit for 24 consecutive months, the JHA will notify the family in writing of the determination within 10 business days of the date of the determination. The JHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments. The notice will state that the family will be charged the alternative non-public housing rent in accordance with JHA continued occupancy policies and HUD regulations and provide the family's new rent amount.



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The notice will also include a new non-public housing lease and inform the family that the lease must be executed by the family and the JHA no later than 60 days from the date of the notice or at the next lease renewal, whichever is sooner. The family will continue to be a public housing program participant until the family executes the new non-public housing lease. The notice will also state that failure to execute the lease within the time stated in the notice will result in termination of tenancy no more than six months after the date of the notice. The JHA will permit an over-income family to execute a lease beyond this time, but before termination of tenancy, if the over-income family pays the JHA the total difference between the alternative non-public housing rent and their public housing rent dating back to the point in time that the over-income family was required to execute the new lease.

Once the family signs the new non-public housing lease, the family will no longer be a public housing participant family. The family will no longer be subject to income examinations, are precluded from participating in the resident council, and cannot participate in any programs that are only for public housing or low-income families. The JHA will not provide such families with hearing or grievance rights.

The non-public housing over-income (NPHOI) lease will contain all required provisions listed at 24 CFR 960.509. The initial term of the lease will be for one year. Upon expiration of the initial lease term, the lease will not renew automatically, and subsequent leases will state renewal terms. At any time, the PHA may terminate tenancy in accordance with 24 CFR 960.509(b)(11) and in accordance with state and local law.

Upon execution of the lease, the tenant will be required to pay the amount of monthly tenant rent (known as the alternative non-public housing rent) determined by the PHA in accordance with HUD regulations. The PHA will comply with state and local law in giving the tenant written notice stating any changes in the amount of tenant rent. Charges assessed under the lease will be due in accordance with state and local law.

If an NPHOI family subsequently experiences a decrease in income after signing the NPHOI lease, the family may only be readmitted to the public housing program if they once again become an eligible low-income family and reapply to the public housing program.



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## **15-II.C. PHA-CAUSED ERRORS OR PROGRAM ABUSE**

Language has been included to reflect the changes in the CFR and Notice PIH 2023-27. This language did not exist in prior ACOP.

### **De Minimis Errors [24CFR 5.609(c)(4); Notice PIH 2023-27]**

The PHA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.

PHAs must take corrective action to credit or repay a family if the family was overcharged rent, including when PHAs make de minimis errors in the income determination. Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. PHAs state in their policies how they will repay or credit a family the amount they were overcharged as a result of the PHAs de minimis error in income determination.

## **16-I.E. REASONABLE ACCOMMODATION AND INDIVIDUAL RELIEF [24 CFR 965.508]**

Language has been updated to reflect changes in the CFR and Notice PIH 2023-27. This language did not exist in the prior ACOP.

Further, the PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with information about the additional allowance required.

PHAs should develop criteria for granting individual relief and to notify residents about the availability of individual relief, and also to notify participants about the availability of individual relief programs (sometimes referred to as “Medical Baseline discounts”) offered by the local utility company [Utility Allowance GB, p. 19, 24 CFR 965.508].





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ACOP VAWA policy has been updated to include a revised definition of “domestic violence” and includes the definition of “economic abuse” and “technological abuse.”

- The term *domestic violence* includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:
  - The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim.
  - A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner.
  - A person with whom the victim shares a child in common.
  - A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction.
- The term *economic abuse* means behavior that is coercive, deceptive, or unreasonably controls or restrains a person’s ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:
  - Restrict a person’s access to money, assets, credit, or financial information
  - Unfairly use a person’s personal economic resources, including money, assets, and credit, for one’s own advantage
  - Exert undue influence over a person’s financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty
- The term *technological abuse* means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:
  - Internet enabled devices
  - Online spaces and platforms
  - Computers
  - Mobile devices
  - Cameras and imaging programs



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- Apps
- Location tracking devices
- Communication technologies
- Any other emergency technologies



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## Over-Income Family Initial Notification

Date:

Resident Name

Address

Jacksonville, FL Zip Code

Re: Public Housing Initial Over-Income Notification

The purpose of this notice is to inform you that Jacksonville Housing Authority has determined your family is above the income limit according to federal rules for the public housing program. This is your initial (first) notice.

### **What happens next?**

For now, your rent will continue to be calculated as usual, you will continue to be offered a choice between income-based rent and flat rent, and **you do not have to move**. If your family remains over-income for the following 24 consecutive months, you will no longer be eligible for assistance under the public housing program but may remain in a public housing unit paying an alternative non-public housing rent calculated under federal rules for non-public housing tenants.

If you believe that Jacksonville Housing Authority has calculated your household income incorrectly and your family should not be considered over-income, you may request a hearing by calling 904-630-3810 or emailing [lfitzgerald@jaxha.org](mailto:lfitzgerald@jaxha.org) or requesting more information from the JHA staff at the office located at your site. If you wish to request a hearing, please do so within ten days of the date of this letter. If you do not wish to request a hearing, please, you do not need to do anything else currently.

### **What about changes to my income?**

JHA will continue to reexamine your income every 12 months as usual. After each reexamination, you will receive a notification like this one if your family is still over-income. If your family's income drops below the over-income limit before the end of the 24-month consecutive-month grace period, you will no longer be considered over-income. If your family's income increases again to an amount that is over-income, you will receive another 24 consecutive month grace period.

If your income changes, contact us by using the information provided below to learn the policy for requesting an interim reexamination.

Thank you,



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## Over-Income Family Second Notification

Date:

Resident Name

Address

Jacksonville, FL Zip Code

Re: Public Housing Initial Over-Income Notification

The purpose of this notice is to inform you that Jacksonville Housing Authority has determined your family is above the income limit according to federal rules for the public housing program. This is your initial (first) notice.

### **What happens next?**

For now, your rent will continue to be calculated as usual, you will continue to be offered a choice between income-based rent and flat rent, and **you do not have to move**. If your family remains over-income for the following 24 consecutive months, you will no longer be eligible for assistance under the public housing program but may remain in a public housing unit paying an alternative non-public housing rent calculated under federal rules for non-public housing tenants.

### **What about changes to my income?**

JHA will continue to reexamine your income every 12 months as usual. After each reexamination, you will receive a notification like this one if your family is still over-income. If your family's income drops below the over-income limit before the end of the 24-month consecutive-month grace period, you will no longer be considered over-income. If your family's income increases again to an amount that is over-income, you will receive another 24 consecutive month grace period.

If your income changes, contact us by using the information provided below to learn the policy for requesting an interim reexamination.

### **What if my family remains over-income in 24 consecutive months?**

According to the Admissions and Continued Occupancy Plan (ACOP), your family may continue to reside in a public housing unit even if you remain over-income after 24 months. However, your unit will no longer receive assistance from the federal public housing program so your rent will be calculated differently.



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If you choose to stay in your unit after remaining over-income for 24 consecutive months, you will:

1. Pay an “alternative non-public housing rent” (currently estimated at \$\_\_\_\_)
  - The alternative rent is adjusted annually and subject to change.
  - You will receive a notification with more details on what to expect next if you decide to remain in a public housing unit after 24 consecutive months of being over-income.
2. Need to sign a new lease for Non-Public Housing Over-Income (NPHOI) families.
  - The NPHOI lease will need to be signed no later than 60 days after receiving notification of the end of the 24-month grace period or at the next lease renewal, whichever is sooner.

If you believe that Jacksonville Housing Authority has calculated your household income incorrectly and your family should not be considered over-income, you may request a hearing by calling 904-630-3810 or emailing [lfitzgerald@jaxha.org](mailto:lfitzgerald@jaxha.org) or requesting more information from the JHA staff at the office located at your site. If you wish to request a hearing, please do so within ten days of the date of this letter. If you do not wish to request a hearing, please, you do not need to do anything else currently.

Thank you,

JHA Management