

HOME – CHDO To City

FILE CHECKLIST

Family First/Last Name:	
Property Address Being Purchased:	# of Bedrooms:

Is Property Energy Star Certified? ☐ Yes ☐ No

DOCUMENTS:

	SHOP Excel Worksheet (Project Cost Breakdown)	
	HOME Income Calculation	Date of eligible-income determination: ____/____/____ Income determination may not be earlier than 6 months from HOME assistance.
	HOME BUYER Written (at or prior to mortgage closing)	Date Signed by Borrowers: ____/____/____ Must be later than eligible-income determination date.
	HOME Deed of Trust (signed at mortgage closing)	
	HOME Promissory Note (signed at mortgage closing)	
	First Time Homebuyers Certificate (prior to mortgage closing)	Only a HUD approved housing counseling agency & counselor may provide the required training
	Appraisal (cover page, summary of salient features, signature page)	
	Settlement Statement	

Beneficiary Information

Number of People in Household: _____

Ethnicity Hispanic or Latina: ☐ Yes ☐ No

Race of Borrower: ☐ White ☐ Black/African American
☐ Asian ☐ American Indian/Alaskan Native
☐ Asian & White ☐ Black/African American & White
☐ American Indian/Alaskan Native & Black/African American
☐ American Indian/Alaskan Native & White
☐ Native Hawaiian/Other Pacific Islander
☐ Other multi-racial (Specify _____)

Household Composition: ☐ Single, non-elderly ☐ Elderly (age 62 and over)
☐ Single Parent ☐ Two Parents ☐ Other

Coming from Subsidized Housing? ☐ Yes ☐ No

Homebuyer Received: ☐ Pre-Counseling ☐ Post-Counseling ☐ Both ☐ None

FOR CITY USE:

DATE INCOME DETERMINED:	DATE OF HOME BUYER AGREEMENT:	DATE LOAN CLOSED:
PURCHASE PRICE: \$	APPRAISED VALUE: \$	MORTGAGE AMOUNT: \$
HOME: \$	BUYER: \$	OTHER FEDERAL OR STATE: \$

HOW TO DETERMINE GROSS ANNUAL INCOME

Housing activities must qualify based on total gross **household** annual income for all persons that occupy the housing unit.

The City of Richland has selected to use the 24 CFR Part 5 definition to determine income eligibility and can be found at

<https://www.bing.com/search?q=part%205%20income%20guidebook&qs=n&form=QBRE&sp=1&pq=part%205%20income%20guidebook&sc=0-23&sk=&cvid=3E6B4341156D4AA59E090279F392F447>

All households must be income-eligible at the time HOME assistance is made and prior to HOMEBUYER Written Agreement is signed.

It is not required to re-examine household income unless six (6) months has elapsed before HOME assistance is provided. If more than six (6) months has elapsed, CHDO must ensure income eligibility and re-certify household income using current income source documentation and CPD Income Eligible Calculator.

Definitions

Family means all persons living in the same household who are related by birth, marriage or adoption.

Household means all the persons who occupy a housing unit whether related or not.

Low- and Moderate-Income Person means a member of a family having an income equal to or less than the Section 8 low-income limit (up to 80% of area median income) as established annually by HUD. Two unrelated individuals will be considered as one-person families for this purpose.

Low- and moderate-income household means a household having an income equal to or less than the Section 8 low-income limit (up to 80% of area median income) as established annually by HUD.

Only U.S. Citizens or legal resident aliens are eligible for Richland HOME assistance. All family/household members must provide documentation of this e.g. copy of social security card, resident alien card, a signed declaration of eligible immigration status, etc. If the household contains a non-legal resident, no HOME assistance may be provided.

Income is any money that goes to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member or anticipated to be received during the next 12 months. Annual income includes the **current gross income** of all **adult family/household members (aged 18 years or older)** and **unearned income attributable to a minor (under age 18)** e.g., child support, TANF payments, SSI payment, and other benefits paid on behalf of a minor.

Gross Income is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

Current Income is the income that the family/household is currently receiving at the time of application for HOME assistance. Income recently terminated that is not anticipated to be received again during the next 12 months should not be included.

The income definition contains income "inclusions" (types of income to be counted) and "exclusions" (types of income that are not to be counted as income). The following types of income must be counted (inclusions) when calculating gross income for eligibility purposes:

- Wages/Salary
- Overtime pay, commissions, fees, tips, and bonuses
- Self-Employment/Business Net Income
- Interest and Dividend Earned Income, and other net income from real or personal property
- Pension/Retirement Income
- Unemployment and Disability Income
- TANF/Public Assistance
- Alimony and/or Child Support
- Armed Forces Income
- SS or SSI
- Any other source of income received regularly

The following types of income are **NOT** counted (exclusions) when calculating gross income for eligibility purposes:

- Income from the employment of children under the age of 18, including foster children
- Inheritance and Insurance Income
- Medical Expense Reimbursements
- Income of Live-in Aides
- Payments received for the care of foster children or foster adults
- Student Financial Aid
- Income from full time students aged 18 who are not the head of household or spouse and is above \$480
- Armed Forces Hostile Fire Pay
- Periodic Gifts
- Self-Sufficiency Program Income
- Other Income (i.e., temporary, non-recurring or sporadic income)
- Reparations
- Full-time Students Financial Aid
- Adoption Assistance Payments
- Deferred and Lump Sum Social Security & SSI payments
- Income Tax and Property Tax refunds

- Home Care Assistance paid by a State Agency
- Other Federal Exclusions

Note: All household assets under the HOME Program are calculated as income. It is the actual income generated from the asset and not the value of the asset that is counted in annual income.

Determining Family/Household Size

The income limits are adjusted by family/household size. Some may include persons who are not considered as members of households for the purposes of determining size and income eligibility, including foster children, foster adults, live in aides, and children of live-in-aides. These persons should not be counted as household members when determining household size and their income is not included when calculating annual income. A child who is subject to a shared-custody agreement in which the child resides with the household at least 51 percent of the time can be counted in the family/household. For a child who is subject to a shared-custody agreement in which the child resides with each family/household 50 percent of the time, determination of inclusion will be based on eligibility as a dependent for income tax purposes.

Annualizing Wages and Periodic Payments

When calculating income based on hourly, weekly or monthly payment information, use the following methodologies to preliminarily determine the household's gross annual income.

To annualize full-time employment, multiply the following:

Hourly wage rate(s) by 2,080 hours for full-time employment with no overtime,

Weekly wages by 52

Biweekly (every two weeks) wages by 26

Semi-monthly (twice a month) wages by 24

Monthly wages by 12

For seasonal employment, take the average of current three years of W-2's (1. Wages, tips other compensation).

To annualize income from other than full-time employment, multiply periodic amounts (hourly, biweekly, monthly, etc.) by the number of periods (hours, weeks, and months) the household member expects to work.

Example 1: \$5 per hour x 25 hours per week x 52 weeks = \$6,500

Example 2: \$130 per week x 52 weeks = \$6,760

Use an annual wage without additional calculations.

Example: If a schoolteacher earns an annual salary of \$22,000, the \$22,000 should be used as the annual salary, regardless of whether the teacher is paid over a 9- or 12-month period.

No interim certification is done at the end of the school year to reduce the household's income.

Use anticipated employment and current circumstances to determine projected income, unless verification forms indicate that an imminent change will occur.

Example of Anticipated Increase in Hourly Rate: The employment verification indicates that as of April 1, the applicant's current hourly rate is \$8.00 per hour. It also indicates that on May 15, the applicant's income will increase to \$8.50 per hour. The applicant works 40 hours per week. You would make the following calculations:

40 hours per week x 52 weeks = 2080 hours April 1 through May 16 = 6 weeks

6 weeks x 40 hours = 240 hours

2,080 hours - 240 hours = 1,840 hours

Annual Income is calculated as follows:

240 hours x \$8.00 = \$1,920

1,840 hours x \$8.50 = \$15,640

Annual Income = \$17,560

If a household indicates that income might not be received for the full 12 months (e.g., Unemployment insurance benefit is expected to terminate), the income should still be annualized.

When an employer gives a range of hours as the number of hours worked, it is recommended that a conservative approach be taken and that the highest number in the range be used for income calculations. It is not recommended to use an average.

Example: John works 25 - 30 hours per week and makes \$8.25 per hour. To annualize his hours, use:

30 hours x 52 weeks = 1,560 hours per year

1,560 hours x 8.25 = \$12,870 annual income

For public assistance benefits (e.g., TANF), a benefits statement received any time within the twelve months prior to the time of application and reflecting current benefits received by an applicant is allowed. A copy of a recent bank statement indicating direct deposit of benefit(s) is also acceptable.

Income Calculation

After determining and documenting specific sources of income that must be included in the income calculation, calculate the annual gross income using the on-line HUD *CPD Income Eligibility Calculator* to calculate gross household income and assets. The calculator can be found at <https://www.hudexchange.info/incomecalculator/>. All calculator forms must be printed, signed and dated, where applicable by borrower and/or CHDO staff.

Calculating Annual Median Income

To calculate whether a participant is eligible for HOME assistance, the gross annual income is divided by 100 percent of median relative to the number of family/household members. To be eligible for participation, this number must be at or below 80 percent of area median income as established annually by HUD.

Recordkeeping

Source documents must be collected, examined, and documented in the file as evidence of annual income. Source documents may include, but is not limited to:

- 3 months current employment pay stubs showing payment period and year to date gross earnings,
- Verification of Employment signed and dated by the employer showing gross total earnings and paid through date,
- Most current year income tax return with W2s, 1099s, etc.,
- Current profit/loss statement if self-employed,
- Benefit award letters,
- 6 Months bank statements,
- Unemployment or disability benefit statements,
- Court orders or decrees,
- Verification of Full Time Student status for persons aged 18 or older.

All household member who does not receive income must sign and date the Zero Income Verification form.

All source documentation must be attached to the printed HUD calculator forms and placed in borrower(s) file. Source documentation must be provided to Consortium upon request and/or during Monitoring visits.

US Department of Housing and Urban Development Current Area Median Income (AMI) and Rent Limits Kennewick, Pasco & Richland

2024 INCOME LIMITS CDBG - May 1, 2024 / HOME - June 1, 2024

		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
EXTREMELY LOW-INCOME	(30% AMI)	\$21,000	\$24,000	\$27,000	\$29,950	\$32,350	\$34,750	\$37,150	\$39,550
VERY LOW- INCOME	(50% AMI)	\$35,000	\$40,000	\$45,000	\$49,950	\$53,950	\$57,950	\$61,950	\$65,950
PROJECT SPECIFIC	(60% AMI)	\$42,000	\$48,000	\$54,000	\$59,940	\$64,740	\$69,540	\$74,340	\$79,140