

# TENANT CERTIFICATION PROCESS



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# Topics to be covered

- Tenant Certification
  - General Information
  - Timeframes
  - “Top 10 Tenant Cert Issues” (Common Errors):
    - Income
    - Deductions
    - Supporting Documentation & Verification



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# General Information

- HB-2, Asset Management, Attachment 6-A, Annual Income Inclusions and Exclusions
- HUD Occupancy Handbook, Exhibit 5-1: Income Inclusions and Exclusions ([www.hudclips.org](http://www.hudclips.org))
  - Select Handbooks, Select Housing Handbooks, Select 4350.3
- HB-2, Asset Management, Attachment 6-D, Family Assets
- HB-2, Exhibit 6-3, Acceptable Income Verification Sources



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# General Information

- HB-2, Asset Management, Attachment 6-C, Allowable Deductions
- HUD Occupancy HB, Exhibit 5-3, Medical Expenses That Are Deductible and Nondeductible
- IRS Mileage Rates – \$.27 effective 6/1/08
- HUD Income Limits
- HB-2, Asset Management, Attachment 6-B, Zero Income Verification Checklist
- HUD HB, Figure 5-2, Whose Income is Counted?



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Form RD 3560-8  
(Rev. 04-06)

USDA RURAL DEVELOPMENT  
**TENANT CERTIFICATION**

Form Approved  
OMB No. 0575-0189

1. The effective date of an initial or updated tenant certification form will always be the first day of the month. If tenant's move in date is after the 1st of the month the effective date will be the 1st of the next month.

1. Effective Date

M M D D Y Y  
| | | | | |

Note: Check box indicating type of action

- Initial Certification
- Recertification
- Modify Certification
- Cotenant to Tenant
- Assign/Remove RA
- Vacate a Unit
- Certification Expired & Eviction in Process
- Designate 60 Day Absence
- End 60 Day Absence
- Tenant Transfer

**PART I – PROJECT AND UNIT IDENTIFICATION**

2. Project Name	3. Borrower ID and Project Number	4. Unit Type	5. Unit Number
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WARNING STATEMENT: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of a court of the United States, knowingly falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

2-5. Make sure the following information matches the project worksheet.

**PART II – TENANT HOUSEHOLD INFORMATION**

6. Tenant Subsidy Code (enter code)
- 0 – No Deep Tenant Subsidy
  - 1 – Rental Assistance (RA)
  - 2 – Project Based Section 8
  - 4 – Other Public RA
  - 5 – Private RA
  - 6 – HUD Voucher
  - 7 – Other Types at Basic Rent

[ ]

Enter appropriate code here. (Note: If property is receiving rental assistance from Tax Credit Agency, enter code 4.)

STATEMENT REQUIRED BY THE PRIVACY ACT: Title V of the Housing Act of 1949 authorizes RHS to collect the information necessary to determine your eligibility or rejection. RHS will not deny eligibility if you refuse to contribute for rent. However, the information collected may be released to appropriate Federal, State and Local Agencies, credit bureaus and servicing agents when relevant to civil, criminal or regulatory proceedings or to enforce regulations by manual or automated verification procedures.

Round all monetary figures up to the nearest dollar at .50 and above.

Other Subsidy Indicator (leave blank if none, P-Partial or F-Full) \_\_\_\_\_ Other Subsidy Amount (For Partial) \$ \_\_\_\_\_



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7-12. Social Security number, Name, Sex, Date of Birth, Race, and ethnicity of each person (s) living in complex. For race and ethnicity codes see box in Lower left hand corner.

12a. Race Determination Code: How did you receive Race information. Enter appropriate code see codes below.

14. Enter appropriate code next to the tenant or cotenant if they are elderly (E) or disabled (D).

7. Social Security No.	8. Household Member Name (Last, First and Middle)	9. SEX	10. Date of Birth M M D D Y Y	11. Race	12. Ethnicity	Determination Code	or Full-Time Student 18 or Older	apped
							(Complete this only when household member is a Tenant or Co-Tenant)	(Complete this only when household member is a Tenant or Co-Tenant)
							(Check below when coded above)	
							Total (Line 13)	<input type="checkbox"/> Elderly Status

Note: If any household member does not have a social security number but is eligible for housing, complete the field with all zeros or use the alien registration number. MINC will assign a fictitious number. When transmitting the recertification, the assigned MINC number has to be used.

Note: Foster children are not considered to be household members and are not to be entered as so.

8a. Number of Foster Children (if any)

8a. Enter number of foster children who will reside in the unit.

Choices for Race are:  
 1 - American Indian or Alaskan Native  
 2 - Asian  
 3 - Black or African American  
 4 - Native Hawaiian or Pacific Islander  
 5 - White  
 Choices for Ethnicity are:  
 a - Hispanic/Latino  
 b - Non-Hispanic/Latino

Choices for Race Det. Code:  
 C - Customer Provided  
 E - Employee Observed

13. Enter appropriate code next to the household member(s) indicating either Minor (M), Full-time student (F) or disabled (D).



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18a. Enter total annual income not monthly amount. And third party verifications must be obtained from the employer.

15. Enter all net family assets even if less than \$5,000. (See Chapter 6, Att.D on what to include as a net family asset.)

17. Enter actual income received from assets. (See Chapter 6, Section 6.10 on calculating cash value of an asset.)

18b. Contact social security for percentage of annual increase.

**PART III—ASSET INCOME**

15. Net Family Assets (NOTE: If Line 15 is less than \$5,000, enter zero on Line 16.)

16. Imputed Income from Assets (Bank Passbook Savings Rate (\* ) x Line 15.)

17. Income from Assets

\$									
\$									
\$									

19a. \$480 per minor or full-time student. See chap. 6 sec. 2 for details.

**PART IV—INCOME CALCULATIONS**

16. Passbook savings rate is 2%. See chap. 6 sec. 2.

18a-f. See Chap. 6 attach. 6-A for what is considered income.

**PART IV—INCOME CALCULATIONS**

18. Income

a. Wages, Salaries, etc. \$

b. Soc. Sec., Pensions, etc. \$

c. Assistance \$

d. Income Contributed by Assets (Greater of Line 16 or Line 17) \$

e. Other \$

f. Annual Income \$

g. Household Has Exempt Income

19. Adjustments to Income

a. \$480 x total of Line 13 \$

b. \$400 if elderly status \$

c. Medical exceeding 3% of Line 18f. (If elderly, handicapped or disabled) \$

d. Child Care \$

e. Total Adjustments \$

20. Adjusted Annual Income (Line 18.f. minus Line 19.e.) \$

19a-d. See chap. 6 attach. 6-C for allowable deduction

19b. \$400 per elderly or disabled household

**PART V—INCOME LEVELS**

21. Number of Household Members

22. Current Eligibility Income Level (Enter Code)

23. Date of Initial Project Entry M M D D Y Y

24. Eligibility Income Level at Initial Project Entry (Enter Code)

19c. If medical expenses are less than 3% of annual income (18f), enter zero. If expenses exceed the 3% rule enter only the amount over the 3%. (ie. Medical expense is 5,000, 3% of annual income is 2,000, you would enter 3,000)

**PART VI—CERTIFICATION BY TENANT**

I certify and acknowledge that if the Agency provides unauthorized assistance to the borrower/multi-family housing project owner for my benefit based on erroneous or fraudulent information provided by me, this tenant certification, I will reimburse the Agency for that unauthorized amount. If I do not, the Agency may use all remedies available to collect it, including those under the Debt Collection Act, to collect the debt directly from me.

a. Date: M M D D Y Y

b. Tenant Signature

c. Date: M M D D Y Y

d. Co-Tenant Signature

18g. Rural Development will not accept a tenant certification with zero income unless all income is specifically exempted. See chap. 6 attach. 6-A for exempted income.

Both Tenant and Co-tenant must sign and date.

22 & 24. VL = Very Low, L = Low, M = Moderate and A = Above Moderate income. Per Adjusted Income Limits HB-1-3550, Appendix 9.

23. Date tenant physically moved into apartment.

Note: Be sure to complete this section.

27. If this is applicable it will be the amount the tenant household actually receives from the Public Assistance Agency for shelter.

**PART VII—PRELIMINARY CALCULATIONS**

25. Adjusted Monthly Income (Line 20 ÷ 12) a. \$ 

--	--	--	--	--

 x .30 = b. \$ 

--	--	--	--	--

26. Monthly Income (Line 18.f ÷ 12) a. \$ 

--	--	--	--	--

 x .10 = b. \$ 

--	--	--	--	--

27. Designated Monthly Welfare Shelter Payment \$ 

--	--	--	--	--

29. Enter approved basic rent from the project worksheet

29. Gross Basic Rent

a. Basic Rent \$ 

--	--	--	--	--

b. Utility Allowance \$ 

--	--	--	--	--

c. (Line 29.a. + Line 29.b.) \$ 

--	--	--	--	--

30. Gross Note Rate Rent

a. Note Rate Rent \$ 

--	--	--	--	--

b. Utility Allowance \$ 

--	--	--	--	--

c. (Line 30.a. + Line 30.b.) \$ 

--	--	--	--	--

28. Highest of Line 25.b., Line 26.b., or Line 27. 

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Note: If utilities are included in rent enter zero.

29. Enter approved note rent from the project worksheet

**PART VIII—DETERMINING GROSS TENANT CONTRIBUTION (GTC)**

Decision: (check one)

- A. If tenant receives rental assistance (RA) enter Line 28 on Line 31 below. If Line 28 exceeds Line 29.c., go to Decision B since this Tenant will not receive RA.
- B. If tenant does not receive RA and this project receives Plan II Interest Credit, enter the greater of Line 28 or Line 29.c. (but not to exceed Line 30.c.) on Line 31 below.
- C. If tenant does not receive RA and this project is a Plan I, Full Profit or Labor Housing project, complete Lines C.1. thru C.3. and enter Line C.3. on Line 31.

Part VIII: Mark appropriate box

1. Enter Line 30.c. \$ 

--	--	--	--	--

2. Add Plan I Surcharge (if any) \$ 

--	--	--	--	--

3. Total (enter on Line 31) \$ 

--	--	--	--	--



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**PART IX—DETERMINING NET TENANT CONTRIBUTION (NTC)**

31. GTC (From PART VIII)

32. Utility Allowance (Line 29.b. or Line 30.b.)

33. Final NTC (Line 31 minus Line 32)

(Amount Tenant pays Borrower for rent. If Line 33 is negative, Borrower pays the difference to Tenant for utilities.)

32. From project worksheet

Note: Be sure to complete this section. Based on what boxed is marked in Part VIII.

\$							
\$							
\$							

33. Line 31 minus line 32.

**PART X—CERTIFICATION BY BORROWER**

I certify that the information on this form has been verified as required by federal law and the tenant household

is eligible to live in the unit, or  has been granted ineligible occupancy by RHS.

a. Date Signed

M	M	D	D

b. Signature of Borrower or Borrower's Representative

Note: A tenant or co-tenant has to be disabled or elderly to live in an elderly complex.

Note: If household is income ineligible, a wavier from the area office must be obtained.



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# Timeframes

- All Tenant Certs are effective on the 1<sup>st</sup> of the month
  - New Move-ins – if move in after the 1<sup>st</sup>, TC will be effective the 1<sup>st</sup> of the next month
- All Tenant Certs must be transmitted by the 10<sup>th</sup> of the month in which it is effective
- All households must be recertified at least annually
  - If income changes by \$100 or more per month – must recertify when change of income occurs
  - If income changes of \$50 or more, must recertify IF tenant requests
  - If household size changes during the year, must recertify.



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# Timeframes

- Recertification Process
  - Two Notification Letters May Be Required
  - 1<sup>st</sup> – 75-90 days prior to effective date
  - 2<sup>nd</sup> – 30 days prior to effective date if no response from household
- Note - a tenant certification can be transmitted via MINC at anytime during the 90 day period prior to the effective date

UNITED STATES DEPARTMENT OF AGRICULTURE  
**MINC**  
Management Interactive Network Connection



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# Timeframes

- An Expired or Late certification is when it is not transmitted via MINC to RD by the 10<sup>th</sup> of the effective month
  - If tenant does not provide required information to recertify
    - Household is no longer eligible
    - Household must pay Note Rate Rent
    - Lease termination should be started
  - If tenant provided information, and borrower is at fault
    - Borrower must pay difference between the greater of the net tenant contribution or basic rent and the note rate rent (i.e. Basic Rent is \$300, Tenant's Rent is \$325, Note Rent is \$400, Borrower would pay \$75)
    - Example #2 – Basic Rent is \$300, Tenant's Rent is \$200, Note Rent is \$400, Borrower would pay \$100
    - Borrower must pay the overage amount from non-project funds until recertification is complete



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# “Top 10” Tenant Cert Issues!

10. Assets are not properly reported and/or imputed on the TC
9. Renting to Zero Income tenants
8. Using net SS income vs gross SS income
7. Miscalculating unusual income
6. Incorrect calculation of income that is seasonal/sporadic
5. Incorrect Standard Deductions (i.e. \$400 vs. \$480)
4. Incorrect calculations of medical/disability expenses
3. Incorrect calculation of child support income and/or child care expenses
2. Tenant Cert not completed in it's entirety or correctly
1. No supporting documentation in the tenant file of income/deductions



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# Issue #10

## Assets are not properly reported and/or imputed on the TC

- Must consider at the time of initial certification and for all recertifications
- Must be verified in writing by third party
  - If unable to verify from 3<sup>rd</sup> party, can accept other forms of documentation (HB- 2, Section 6.11 A)
- Verifications are valid for 90 days and may be valid for an additional 90 days with oral verification. Can be no longer than 180 days
- Includes assets of all HH members
  - Refer Attachment 6-D, Asset Management Handbook
  - NOTE: *Assets to which they have access*
- Document, document, document



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## Issue #9

# Renting to Zero Income Tenants

- Zero Income – RD’s policy is to not accept a tenant certification for an applicant or tenant with zero income unless all income is specifically exempted.
- If applicant or tenant states they have no household income, they will need to demonstrate financial capability to meet essential living expenses.



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# Issue #9

## Renting to Zero Income Tenants

- The basis for this income must be documented in the file. Document, document, document
- HB-2-3560, Attachment 6-B, Zero Income Verification Checklist can be used for this documentation.
- The borrower **MUST** review the circumstances of the tenant quarterly.
  - RD may wage match periodically (If available in your State)
  - Borrower can request wage match from RD at any time (If available in your State)



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## Issue # 8

### Using Net SS Income vs. Gross SS Income

- For income, always use the Gross Income
- Usually, in October it will be announced if SS will be increasing for the following year
  - Be sure to factor in this increase (could be 2 months at 2008 rate (Nov. & Dec. and 10 months at new rate)
- Be sure to factor any adjustments for prior overpayment of SS benefits



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# Issue #7

## Miscalculating Unusual Income

- Income from a Business
- Calculating Anticipated Annual Income
- Withdrawal from IRAs or 401k Accounts
- Calculating income of Students
- Calculating income of a minor
  - Earned income is excluded
  - Income from benefits is included



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# Income from a Business

- Must count Net Income
  - Net Income is Gross Income less expenses
  - If net income is a negative number, must use “0”
  - Must request most current tax return
  - Compare figures tenant provided with tax return



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# Annualizing Unemployment

- Must use current circumstances to anticipate income
- Unemployment is counted as income
- If household is receiving unemployment, must figure unemployment for entire 12 months even if verification reflects that unemployment is not available for the full year
- When circumstances change, must do a interim recertification to recalculate the anticipated annual income



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# Withdrawals from IRAs and 401k Accounts

- The full amount of periodic payments from IRAs, Pensions, Insurance Policies, Retirement Funds, etc. is counted as income
  - Withdrawals from IRAs and Retirements funds that are not routine would not count as income
- Lump sum receipts from pension and retirement funds are counted as an Asset
- Still need 3<sup>rd</sup> party verification
  - Yearend statements of Mutual Funds or 401k accounts can provide information about routine annual income



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# Students

- New Student Rule was issued by HUD
  - RD operates under this rule (see HUD Rule 24 CFR 5.612)
  - RD Unnumbered letter was issued January 11, 2007
- Caution – rules vary by type of program
  - If Tax Credit Property, refer to IRS Section 42
  - If Section 8(HUD) & Tax Credit, the most restrictive rule applies
  - If RD financed property without tax credits, follow HUD rule above



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# Students – 3 Step Process

- 1<sup>st</sup> Step – determine if tenant/co-tenant is a student
- 2<sup>nd</sup> Step – determine if tenant/co-tenant is Dependant or Independent
- 3<sup>rd</sup> Step – Calculate income of student based on above determinations



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# 1<sup>st</sup> Step

## Is Tenant/Co-Tenant a Student?

- Must be enrolled in a institution of Higher Education
- Does not matter if full-time or part-time



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## 2<sup>nd</sup> Step

# Is Student “Independent”?

- If Independent
  - Must be of legal contract age under state law, and
  - Cannot be claimed as a dependent on parents/guardians tax return (can request a copy of tax return if needed) \*\*; and
  - Previous address cannot be the same as parents/guardian \*\*; and
  - Must have established a separate household for at least one year prior to applying for housing \*\*



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\*\* No verification is needed if student meets U.S. Dept. of Education’s definition of “Independent Student”

# Dept. of Education's Definition of “Independent Student”

- Must be at least 24 years old by Dec. 31 of current in which applicant is applying for housing; or
- Be an orphan or a ward of the court through the age of 18; or
- Be a veteran of U.S. Armed Forces (includes National Guard); or
- Have legal dependents other than a spouse (i.e. children or elderly dependent parent); or
- Be a graduate or professional student; or
- Be married



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## 2<sup>nd</sup> Step - Is Student a “Dependent”?

- They do not meet the Dept. of Education’s definition of “Independent Student”; or
- They have not established a household separate from their parents/legal guardians for at least 1 year; or
- They are still being claimed by parents/guardian with IRS

Note: If documentation is not provided to support being Independent, then tenant/co-tenant/applicant is considered a Dependent.



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# 3<sup>rd</sup> Step - Determining Income Eligibility of a Student

- Dependent Student:
  - If you determine that the student is a Dependent:
    - Both Student and the Students' parents/guardians must have their income verified to determine income eligibility
  - Calculate household income in accordance with HUD Regulations 24 CFR 5.607 and 5.611
  - Count all financial assistance in excess of tuition costs as income
    - Exempt from this rule
      - » Student (at any age) living with parents
      - » Student is over 23 and has a dependent child



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# Dependent Student (cont.)

- For income eligibility – both the Parents/Guardians and the Students' income must be below moderate income guidelines
  - Must qualify separately
- **If parents/guardians refuse or fail to provide proof of income, then applicant (student) is not eligible to live in unit (OR NOT ELIGIBLE FOR RA??)**
- If eligible, complete Tenant Certification reflecting combined adjusted income of parents and student to determine proper rental payment
- Must recertify annually to determine income eligibility and whether Student still meets “Dependent” student definition



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# Income Eligibility of a ‘Independent’ Student

- Verify all income and deductions
  - Remember, any financial assistance over tuition expenses must be counted as income
  - Must have signed certification from parent/guardian regarding financial assistance they may or may not be providing
- Complete Tenant Certification to determine rental payment
- Recertify at least annually



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# Issue #6

## Incorrect Calculation of Seasonal / Sporadic Income

- Some employment is not year round
  - Must estimate what the income will be for the year
- Must verify income
  - If seasonal, may have to request more than 1 year's history of employment
    - If worked 3 years, obtain all 3 years and average
    - If new, have employer project hours to be worked the next 12 months based on their knowledge of past work history



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## Issue #5

# Incorrect Standard Deductions

- \$480 deduction for each family member (not a tenant or co-tenant)
  - Under 18 years of age;
    - Does not include unborn child
    - If joint custody, both parents cannot claim the deduction for the child if both parents live in subsidized housing
      - If dispute which family gets to claim the deduction, must refer to any legal documents or IRS returns and deduction is claimed by the parent shown receiving the IRS deduction or identified in legal documents
  - A person with disabilities who is over 18 and not the tenant or co-tenant;
  - A full-time student of any age;
    - Must have documentation from school
    - Must still be living in household
  - Foster children are not eligible for the standard \$480 deduction (likewise do not count income received on behalf of foster children)



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## Issue #5

# Incorrect Standard Deductions

- \$400 deduction for elderly or disabled
  - Must be the tenant or co-tenant
  - Only one deduction for the household, i.e. both tenant and co-tenant are over age 62, but only 1 \$400 deduction can be taken
  - Must be 62 years of age or have a disability at any age
  - Must have documentation to support \$400 deduction for disability (confirmation they are receiving SSI is adequate documentation)



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# Issue #4

## Incorrect Calculations of Medical /Disability Expenses

- Medical expenses can be deducted for elderly/disabled household
  - If household qualifies for \$400 deduction, then the medical expenses for the entire household can be claimed
  - Expense to be claimed is what is anticipated for next 12 months based on past history
  - Can allow for past medical event that is not likely to recur (i.e. unplanned surgery, injuries from car accident, etc.) if not claimed previously



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# Issue #4

## Incorrect Calculations of Medical/Disability Expenses

- Reimbursed medical expenses cannot be claimed
- The amount of medical expenses that can be claimed as a deduction is anything over 3% of annual income (not adjusted)
- Must have documentation of medical expenses
  - Over the counter (OTC) medical expenses must be prescribed by licensed practitioner in order to claim deduction
  - Must have copies of receipts and prescriptions for OTC expenses



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# Disability Assistance Expense

- Deduction for unreimbursed, anticipated costs for attendant care and “auxiliary apparatus” for each disabled family member
  - HH does not have to qualify as an elderly household
- Qualification for Deduction
  - Must enable a family member 18 years of age or older (who may or may not be the disabled member) to be employed
  - If more than one family member enabled to work, must consider the combined incomes of those persons
  - Must have documentation of disability and need for animal/apparatus, etc.
- Allowable deduction is any cost over and above 3% of annual income (not adjusted)
  - Cannot exceed the earned income received by the family member(s) who are enabled to work



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# Disability Assistance Expense

- For Elderly HH that is eligible for BOTH medical and the disability deduction, it must be calculated separately
  - Must calculate disability assistance first
    - Reminder – it cannot exceed the income of the person(s) that has been enabled to work
  - Then calculate allowable medical expenses
    - When family has both disability and medical expenses, review both to make sure no expense has been inadvertently included in both categories
  - Add Medical and Disability Assistance expenses



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# Issue #3

## **Incorrect Calculation of Child Support Income and/or Child Care Expenses**

- Child Support Income
  - Household must include all alimony or child support payments
    - Must have verification (court orders, statements from enforcement agencies, divorce decree, or other records to support payment)
    - The applicant/tenant must report what was paid in the last 12 months
    - If not receiving child support payments, the applicant/tenant must show that they have requested assistance from the state or local entity responsible for enforcement of payment



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**Note: If tenant/co-tenant is paying child support  
– this is not an allowable deduction even if this  
is being garnished from their salary**

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# Child Care Expenses

- Reasonable child care expenses for the care of a child age 12 or under may be deducted from “annual (gross) income” if they:
  - Enable an adult family member to actively seek employment, be gainfully employed, or further his/her education; **and**
  - If the expenses are not reimbursed; **and**
  - If they have demonstrated that there are no other adult household members available for child care



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# Child Care Deduction

- The amount may not exceed the amount of income received from employment.
- The amount cannot be paid to a household member
- The amount of child care hours must parallel the hours household member works or goes to school including travel time.
- The applicant must identify the household member who can go to work or school as a result of the child care.
- The tenant file must contain justifying documentation to support the deduction.



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## Issue #2

# Tenant Certification is not Completed in it's Entirety or Correctly

- Part I, Item 1., Action type is not correctly identified
  - i.e. Tenant moves out, and co-tenant becomes tenant, must mark Co-Tenant to Tenant Box
  - Must recertify because household composition changed
- Part II, 6. Tenant Subsidy Code is not completed correctly
  - If getting State RA, Code #4
  - Code #7 if other types of subsidy at basic rent (i.e. church is paying subsidy)
- Part II 7. – Social Security Numbers
  - All households members are not required to have a SS #
    - i.e. illegal immigrants may not have a SS#, complete field with all zeroes and MINC will assign a number



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## Issue #2

# Tenant Certification is not Completed in it's Entirety or Correctly

- Part II, 14. – Coding for Disabled (“D”) and Elderly (“E”)
  - Insert a “E” or “D” by only the Tenant and Co-Tenant – be sure to mark Elderly Status box if any of the above applies
- Part IV, Item 18 g. – if household has reported “zero” income, and the income is exempted, then this box must be marked.
- Part V, Item 23, be sure to show the actual date of move-in (does not have to be the 1<sup>st</sup> of month)
- Part V, Item 24, reflect income level at the time of move-in. This should not be changed on subsequent recertifications



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## Issue #2

# Tenant Certification is not Completed in it's Entirety or Correctly

- Part VII, Item 29 a. and 30 a, Basic Rent & Note Rate Rent – be sure rent is the same as the current approved budget
  - If project worksheet does not agree with budget, notify servicing office
- Part VII, Item 29 b. & 30 b., Utility Allowance
  - If utility costs are included in rent, enter “0”
  - Utility Allowance must agree with approved budget. If it does not agree, notify servicing office



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## Issue #2

# Tenant Certification is not Completed in it's Entirety or Correctly

- Part X, Certification by Borrower
  - Be sure to indicate if household is eligible
    - This includes income eligible and occupancy eligible
  - If not eligible, must obtain waiver or approval from servicing office prior to renting to household
- Part VI & X, Tenant/Co-Tenant and Borrower Signatures
  - Even though tenant certification is transmitted, this form must still be signed by all parties and a copy provided to the tenant.
  - Signed tenant certification must be retained in the Tenant File



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## **Issue #1**

# **No Supporting Documentation in tenant file of Income/Deductions**

- **Verify and Document**



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# Credits

We would like to thank the  
Missouri State Office for all their  
hard work in developing this  
training!



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