

Income & Asset Certification

Summary

Household income is the gross amount (before any taxes or deductions) of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation of all the adults of the household, as well as the gross amount of all unearned income from all members of the Household. Household income also includes income from assets, from all members of the Household. The income used for the purpose of income-qualifying a household is the *anticipated* income for the 12 months following the signing of the lease. All household income and assets must be verified annually at the lease anniversary date.

For full instructions on how to calculate various types of income and assets, as well as acceptable forms of income and asset verification, please consult **Chapter 5, Income & Asset Certification**, in the *Tax Credit Compliance Procedures Manual* on the Commission's website:

<http://www.wshfc.org/managers/ManualTaxCreditIndex.htm>.

Recent Revisions to HUD Income and Asset-Related Regulations

Income and assets are to be calculated for bond-only properties in a manner consistent with determinations of income under HUD's Section 8 program. Section 8 income/asset regulations are found at 24 CFR (Code of Federal Regulations) Part 5. 24 CFR Part 5 was updated by HUD's Housing Opportunity Through Modernization Act of 2016 (HOTMA). HUD released HOTMA implementation guidance, which affects both income and asset definitions as well as how income/assets are calculated and verified, in 2023. For a detailed list of all currently included and excluded types of income and assets that are applicable to bond-only properties, please review federal regulations at 24 CFR Part 5.100, Part 5.603 and Part 5.609.

HUD Occupancy Handbook 4350.3, Chapter 5

Chapter 5 (Sections 1 and 3) of the *HUD Occupancy Handbook 4350.3* is used as a guide to determine annual gross household income for bond-only properties. With the implementation of HOTMA, the current version of Chapter 5 of the HUD Occupancy Handbook 4350.3 should be used with caution, particularly when evaluating what income/assets to include or exclude. HUD plans to update this Handbook in the future. For current guidance, refer to **HUD Notice H 2023-10/PIH 2023-07: Implementation Guidance: Sections 102 and 104 of HOTMA** document. A copy of this document is posted on our website below the link to **Chapter 5** of the Commission's *Tax Credit Compliance Procedures Manual*.