

FACT SHEET

“How Your Rent is Determined”

PHAs’ Responsibility:

- Obtain accurate income information
- Verify residents’ income
- Ensure that applicant/participant receive the exclusions and deductions to which they are entitled
- Accurately calculate family payment
- Recalculate family payment when changes in family composition and income are reported between annual recertifications
- Provide tenant a copy of PHA determination of income and family payment
- Provide information on PHA policies upon request
Terminate assistance due to non-reporting of income or under-reporting of income.

Applicant/Participant Responsibility:

- Provide accurate information on family composition
- Report all income at admission, between and at annual recertification
- Keep copies of papers, forms, and receipts which document income and expenses
- Report changes in family composition and income between annual recertification
- Sign consent for income verification and criminal history checks
- Comply with lease and PHA rules

What is Gross Income?

A family’s income before any taxes or other exclusion or deductions have been deducted

What is Annual Income?

Total Income – Income Exclusions = Annual Income

What is Adjusted Income?

Annual Income – Allowable Income Deductions = Adjusted Income

Family Payment (Total Tenant Payment)

The amount of rent a family will pay is the highest of the following amounts:

- 30% of the family’s monthly adjusted income;
- 10% of the family’s monthly income;
- PHA minimum rent (\$25)

When locating a unit the amount of rent a family pays cannot exceed 40% of it’s monthly adjusted income

Annualization of Income

The PHA reviews and annualizes past income to project future income.

Annual income means all amounts, monetary or not!

Allowable Deductions:

- \$480 for each member of the family who is less than 18 years of age or who is a student or person with a disability
- \$400 for any elderly family or disabled family
- Any non-reimbursable reasonable childcare expenses that enable a family member to work or further his or her education (for children 12 years old and younger)
- Disability expenses (must exceed 3% of annual income)
- Medical expenses (must exceed 3% of annual income)

Welfare Sanctions Note: If the welfare agency reduces the welfare payment because of fraud of a family member or non-compliance, the PHA must include the amount of reduction in the Annual Income to calculate total tenant payment