

Household Income for Rural Housing Eligibility

Household Members:

Name	Relationship	Comments	Household Income, Assets, and Expenses
David Sample	Head of Household	Employed, party to the transaction	\$1,250/week wages; Savings account balance \$2,000 – annual interest income of \$140; Checking account balance, two month average, \$300 – non-interest bearing account; Certificate of Deposit, cash value \$4,000 – interest income \$400 annually.
Betsy Sample	Spouse	Employed, party to the transaction	\$15.50/hour wages – working 20 hours per week; \$100/month child support from her ex-husband (Kathy's father).
Cynthia Sample	David's mother	Disabled, not a party to the transaction	\$800/month Social Security; \$600 in a non-interest bearing checking account.
Janet Smith	Daughter	Full-time college student, employed, not a party to the transaction	\$600/month wages.
Kathy Smith	Daughter	Full-time junior high school student, employed	\$4.00/hour, 8 hours/week wages.
Chris Doe	Foster child	Full-time elementary student	\$800/month from the county for foster care.

Eligibility Household Income

- Count David's wages (\$65,000 annually).
- Count Betsy's wages (\$16,120 annually).
- Count Betsy's child support payments (\$1,200 annually).
- Count Cynthia's Social Security income (\$9,600 annually).
- Count only the first \$480 of Janet's wages (\$480 annually).
 - Janet is a household member who is older than 18 years of age and a full-time student.
- Do not count Kathy's wages.
 - Kathy is a household member who is younger than 18 years of age.
- Do not count foster care income provided for Chris Doe.
 - Chris Doe is a foster child – not considered a household member.
- Count the actual interest income from all household members' assets.
 - Cynthia's and David's checking accounts are non-interest bearing accounts. There is no income from their checking accounts.
 - David's interest income is \$540 annually from his interest-bearing savings account and his Certificate of Deposit.
- The annual eligibility household income is \$92,940.
 - \$65,000 (David wages) + \$16,120 (Betsy wages) + \$1,200 (Child Support) + \$9,600 (Cynthia social security) + \$480 (Janet wages) + \$540 (Interest Income) = \$92,940.

Adjusted Income Calculation

Dependent Deduction

- *Three dependent deductions are permitted at \$480 per person. The deductions are permissible because:*
 - *Kathy is a minor;*
 - *Janet is an adult full-time student who is not the head of household or a spouse; and*
 - *Cynthia is a disabled household member who is not the head of household or a spouse.*
 - *A dependent deduction is not allowed for a foster child.*
- *The total household number is five, excluding the foster child*
- *A deduction of \$1,440 is allowed (\$480 X 3).*

Child Care Deduction

- *Child care expenses are permitted for the care of a foster child but must not exceed the amount earned by the family member enabled to work.*
 - *Betsy earns \$15.50/hour working 20 hours per week and pays \$50/week for child care.*
 - *Child care expenses are not permitted if another adult household member is available to care for the child.*
 - *Janet is not available because she is a full time student.*
 - *Cynthia is not available because she is disabled.*
 - *The full amount of the child care may be deducted since it is less than Betsy's income (\$15.50 X 20 = \$310/week – Child care expense is \$50/week).*
- *A deduction of \$2,600 is allowed (\$50/week X 52 weeks = \$2,600).*

Elderly or Disabled Household Deduction

- *Even though an elderly person is a part of the household, this is not an elderly household because the head of household and the spouse are under 62 years of age and are not disabled.*
 - *The \$400 deduction is not allowed.*

Medical Expense Deduction

- *Family medical expenses cannot be deducted since this is not an elderly or disabled household.*

Disability Assistance Expenses

- *No disability assistance expenses were claimed. To be allowed a deduction for the expenses would have to be necessary to enable a family member to work.*

Annual Adjusted Household Income

- *The total allowable deduction is \$4,040 (\$1,440 dependent + \$2,600 child care).*
- *The annual adjusted household income is \$88,900 (\$92,940 annual income - \$4,040 allowable deductions).*

Continued

Stable and Dependable Income from Parties to the Transaction

Repayment Income

- Consider only income from the parties to the transaction that is documented to be stable and dependable.
 - David is a party to the transaction. David has worked the last two years earning \$1,250 per week (\$65,000 annually).
 - Betsy is a party to the transaction. Betsy has made \$15.50/hour and has consistently worked 20 hours per week for the past five years (\$16,120 annually).
 - Betsy has consistently received child support for Kathy for the past three years. Kathy is 14 years of age – the income has three years' continuance. The child support for Kathy is paid through the court at \$100 a month (\$1,200 annually).
 - David and Betsy have cared for foster children for the past three years. Chris Doe is six years of age. The county pays \$800 per month (\$9,600 annually).
 - Foster care is not a source of income that can be used for repayment income.
- David and Betsy's useable repayment income consists of the following:
 - David: $\$65,000 \text{ historical employment income divided by } 12 = \$5,416.67$.
 - Betsy: $\$16,120 \text{ historical employment income divided by } 12 = \$1,343.33$.
 - Betsy: $\$1,200 \text{ historical child support divided by } 12 = \100.00 .
 - Total stable and dependable income = \$6,860 per month.