



**PHASE I
5 UNITS**
**Information and Application for
Affordable Housing Lottery
Cushing Trails, LLC, Hanson, MA, 02341
Located on William's Trail and Lisa's Trail
Use GPS 486 Spring Street**
4 (2) Two Bedroom Townhome Style Units \$210,885
1 (3) Three Bedroom Townhomes Style Units \$236,000

This packet contains specific information for the lottery for eight affordable homeownership-units at the Cushing Trails, Hanson, MA. This packet includes eligibility requirements, the selection process, and a lottery application.

The key milestones for this housing opportunity:

- Application Period opens: February 26, 2024
- Information Session: March 26, 2024 @ 7PM via Zoom (all Zoom links are on last page)
- Information Session: April 6, 2024 @ 12PM via Zoom
- Open House: Please call 508-440-2812 (date depends on construction)
- Application Deadline: May 29, 2024
- Lottery: June 5, 2024 @ 7PM via Zoom (see last page)
- This application is a first step in the lottery process and does not assure you a home. Applicants must secure approval for a mortgage loan and submit evidence of such approval together with the application.

Please contact the agent below for any questions or to **submit your application**:

Susan Jacobson, Affordable Housing Director
Town of Norfolk
One Liberty Lane
Norfolk, MA 02056
508-440-2812, sjacobson@norfolk.ma.us

Project description

Cushing Trails is 40 units within 20 buildings Townhouse style. These units are permitted under the state M.G.L. Chapter 40B statute through a **Comprehensive Permit issued by the Town of Hanson Zoning Board of Appeals**. As required and permitted, ten (10) of the thirty two (40) units (25%) are being offered for sale to low and moderate income households under the Mass Housing NEF program.





CUSHING TRAILS, HANSON, MA 02341

There are four 4 style buildings within this development: See attached building sketches.

Building #1 Left side of the townhome is 2430 square feet with 3 bedrooms 1.5 baths and a one car garage;
Right side is 1750- square feet with two bedrooms 1.5 baths and a 1 car garage.

Building #2 is 2,560 square on both sides with two bedrooms, 1.5 baths and a 1 car garage

Building #3 is 1750 square feet on both sides with two bedrooms, 1.5 baths and a 1 car garage

Building#4 is 1876 square feet on both unit sides with two bedrooms, 1.5 baths and a 1 car garage

Cushing Trails in Hanson, MA is a **40B** development in Hanson. It is a development of 40 units 20 building Townhouse style units, with 10 designated as affordable. The development is located on 9.6 +/- acre site off and will be accessed off of a driveway from Spring Street, Hanson, MA 02341.

The units are 40 townhouse-style units. There are ten (10) affordable units 5 (5) units will be in this lottery (5) additional units will be available for lottery this fall.

The units are scheduled for occupancy as they are completed, with all units expected to be complete by spring of 2025. All units will be made available through this lottery effort. Note that the units and schedule may change without notice as market conditions change.

In accordance with the program guidelines, the initial purchase prices are established so that a household is not required to spend more than 38% of 80% Brockton MA HUD Metro FMR Area Median Income (AMI) monthly for housing costs.

The affordable floor plans are available on the developer website, and on the lottery agent website.

The units are square feet. Unit –types will be distributed throughout the project based on market demand. There are nine (9) two bedroom units and one (1) one 3 bedrooms both have and a minimum of one and one half baths (1.5) baths. Affordable units will be distributed evenly across unit types.

The kitchen comes with a stove/oven, dishwasher and microwave. Closet space is generous. All units will be provided with central air-conditioning and are on town water with private septic.

Units have a Condominium Association fee of \$100 per month. In addition to mortgage principal, interest and Private Mortgage Insurance payments, homeowners should expect to pay monthly housing expenses of property taxes and condominium association fees. Property owners will be expected to pay property taxes of \$13.38 per \$1000 of purchase price, using Hanson's 2024 tax rates, or approximately \$264 for the three bedroom unit and \$245 for the two bedroom units per month. Note that three months of condominium fees is required at closing.

****PLEASE NOTE AFFORDABLE UNITS MAY HAVE INTERIOR CHANGES AND WILL NOT HAVE SHOWN PLAN UPGRADES****



Susan Jacobson is inviting you to a scheduled Zoom meeting.

Topic: Cushing Trails 1st Information Session

Time: Mar 26, 2024 07:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/84621719897?pwd=RncxazdLVWpmUTE5K2k3aURWdIBXUT09>

Meeting ID: 846 2171 9897

Passcode: 949206

One tap mobile

+13052241968,,84621719897# US

+13092053325,,84621719897# US

Dial by your location

- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 646 931 3860 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 689 278 1000 US
- +1 719 359 4580 US

Meeting ID: 846 2171 9897

Find your local number: <https://us02web.zoom.us/j/84621719897>

Susan Jacobson is inviting you to a scheduled Zoom meeting.

Topic: Cushing Trails 2nd Info Session

Time: Apr 6, 2024 12:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83826788905?pwd=Tm04QTlPZlI6aWY5RWVhVUNzMFRtdz09>

Meeting ID: 838 2678 8905

Passcode: 935814

One tap mobile

+19292056099,,83826788905# US (New York)

+13017158592,,83826788905# US (Washington DC)

Dial by your location

- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 646 931 3860 US
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)

Meeting ID: 838 2678 8905

Find your local number: <https://us02web.zoom.us/j/83826788905>

Susan Jacobson is inviting you to a scheduled Zoom meeting.

Topic: Cushing Trails Lottery

Time: Jun 5, 2024 07:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82918088040?pwd=di9mUDZ2K09SM2UyRjRobHJ3a3ZpUT09>

Meeting ID: 829 1808 8040

Passcode: 806084

One tap mobile

+13017158592,,82918088040# US (Washington DC)

+13052241968,,82918088040# US

Dial by your location

- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 646 931 3860 US
- +1 929 205 6099 US (New York)
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US

Meeting ID: 829 1808 8040

Find your local number: <https://us02web.zoom.us/j/keEpBiG3xL>

Cushing Trails Application Checklist

Before submitting this application, please make sure you have filled out all pages and attached the requested documentation. IN ADDITION to completing and signing this application packet (all 12 pages, including the Signed Summary of Deed Rider / Statement of Understanding and Signed Eligibility Requirements), you will need to attach the following documentation. PLEASE make photocopies – do not attach originals!

- ☐ "Three most recent years Federal Tax Income Taxes"
(for all household members 18 years or older; PLEASE MAKE SURE COPIES ARE SIGNED)
- ☐ "Three years of W-2's"
- ☐ Five most recent paystubs
(for all household members 18 years or older)
- ☐ Most recent three months of Bank Accounts/Asset Accounts - checking, savings, investment accounts, retirement accounts, etc. - (for all household members 18 years or older)
- ☐ Employment Verification for all household members 18 years or older (form provided on page 12 – make additional copies as needed)
- ☐ Asset Verification for all asset accounts (form provided on page 13 – make additional copies as needed)
- ☐ Documentation of OTHER INCOME: if any household member receives Social Security, Veteran's Benefits, Disability, income from pensions, income from IRAs or other retirements accounts, income from unemployment statements, or other income not shown on paystubs, include two months of documentation.
- ☐ Home Buyer Education Certificate attached -or- class schedule with class to be taken noted
- ☐ **AN APPROVAL LETTER FROM A MORTGAGE LENDER WITHOUT THIS YOUR APPLICATION WILL NOT BE INCLUDED IN THE LOTTERY.**

___ YES, I have included a complete and signed application (13 pages)

Discrimination on the basis of race, creed, color, sex, age, disability, marital status, familial status, veteran's status, sexual orientation, and/or national origin, or any other basis prohibited by law is specifically prohibited in the selection of applicants for this housing opportunity. Disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.

Program Eligibility/Application Certification

Please check the Home Owner Status category that applies. To be eligible for this program you must fit into one of these categories (*additional documentation may be required for verification of status*):

- ☐ First-Time Homebuyer (applicant households must not have had an ownership interest in a residential property for the preceding 3 years)
- ☐)
- ☐ Displaced Homemaker, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
- ☐ Single Parents, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant)
- ☐ A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations OR a household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

You must be able to obtain a mortgage in order to purchase the home. You must secure a firm mortgage commitment within 60 days of notification of selection. The mortgage must meet the following minimum standards:

- The loan must have a 30-year fixed interest rate through the full term of the mortgage
- The loan must have a current fair market interest rate (no more than 2 percentage points above the current Mass Housing rate; (617) 854-1000 or www.masshousing.com)
- The loan can have no more than 2 points
- The buyer must provide a down payment of at least 3%, at least half of which must come from the buyer's own funds
- The buyer may not pay more than 38% of their monthly income for monthly housing costs (inclusive of principle, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees.
- Non-household members shall not be permitted as co-signers of the mortgage

☐ **YES, an approval letter from a mortgage lender is attached to this application (REQUIRED)**

Documents required to determine that a household is an income eligible household shall be updated to be current within 60 days of the closing date in accordance with LIP Guidelines (VI-5.a(2)).



Income Limit: Total household annual income must be at/below the 80% Plymouth County Median Income Level, as adjusted for family size. See chart below.

2023 Plymouth County Area MSA Income Limits; see www.huduser.org						
Household size	1 person	2 person	3 person	4 person	5 person	6 person
80% Income Limits	\$66,250	\$75,700	\$85,150	\$94,600	\$102,200	\$109,750

Asset Limit: Total Household assets cannot exceed \$75,000.

I/We certify that the information in this application and in support of this application is true and correct to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that an incomplete or untruthful application will result in disqualification from further consideration.

I/We understand that being selected does not guarantee that I/We will be able to purchase the affordable unit. I understand that all application data will be verified and my qualifications will be reviewed in detail.

I/We understand it is my/our obligation to secure the necessary mortgage for the purchase of the affordable unit and all expenses, including closing costs and down payments, are my/our responsibility (only applicable to homeownership programs).

I/We fully authorize the Marketing/Lottery Agent to verify any and all income sources, income amounts, assets, financial information, resident location and workplace information.

I/we understand that if I/we and/or a family member has a financial interest in the development that I/we will not be eligible for an affordable unit in that development. Family member is defined as a parent, a son/daughter, an uncle/aunt, a niece/nephew, a grandparent, a grandchild and/or a sibling.

Applicants determined ineligible will be notified, given an opportunity to discuss the reasons for the ineligible determination, and given the opportunity to submit additional information that may affect a new determination.

Name of Applicant

Signature

Date

Name of Co-applicant

Signature

Date



Summary of Deed Rider

The Mass Housing Universal Deed Rider - will be placed on the affordable home in perpetuity to ensure the permanent affordability of the home. The buyer will be required to sign this deed rider, and the deed rider will be recorded at the Norfolk Registry of Deeds. **The deed rider is a legally binding document. It is strongly recommended that purchasers of a deed restricted affordable home review the deed rider with their attorney and lender.**

- The deed rider restricts the resale price and limits equity gained in the property.
- A deed restricted affordable home must be resold at an affordable price to another eligible buyer or, if no eligible buyer is found, to an ineligible buyer who must also sign the deed rider. Owners of a deed restricted affordable home must notify the Town of Yarmouth and the Monitoring Agent in writing of their intention to sell or convey the home. The resale price is set by the Monitoring Agent per the deed rider.
- Owners of a deed restricted affordable home must notify the Monitoring Agent and get pre-approval to make capital improvements to the home.
- Owners of a deed restricted affordable home cannot rent, lease, refinance or encumber the home without the prior written consent of the Monitoring Agent.
- The home shall be occupied and used by the owner's household exclusively as his, her or their principal residence.

The Monitoring Agent for this project is: VeronicaTruell, Neighborhood Housing Works

"A copy of the Deed Rider for this project is available for review from the Marketing/Lottery Agent or can be found online under "40B Homeownership Documents" at the following link: <https://www.masshousing.com/programs-outreach/planning-programs/40b-post-construction>. At this link, versions of the Deed Rider and other sample 40B Homeownership Documents that have been translated in non- English languages are available for informational purposes."

Statement of Understanding

I/We have read the Summary of Deed Rider for this project and understand the restrictions required by it.

I/We understand that, if selected by lottery to purchase the affordable home, a full copy of the Deed Rider will be provided to me/us and will be attached the Purchase and Sales Agreement.

I/We understand that the buyer of the affordable unit, selected by lottery, will be required to execute the Deed Rider at the time of purchase.

Applicant Signature

Date

Co-Applicant Signature

Date



Household, Income and Asset Information

How many people in your household (include everybody; all adults, all children)? _____
Which unit size/style are you applying for _____ (size/price)

Applicant Name (this is you) _____

Address: _____

City/Town: _____ State: _____ Zip Code: _____

E-mail Address: _____

Telephone: (Day): _____ (Evening): _____

Employer's Name: _____ Town: _____

Co-Applicant (this is any other adult in the household)

Address: _____

City/Town: _____ State: _____ Zip Code: _____

E-mail Address: _____

Telephone: (Day): _____ (Evening): _____

Employer's Name: _____ Town: _____



List all household members including yourself (anyone who will live in the house, any age):

<u>Name</u>	<u>Date of Birth</u>	<u>Soc. Sec. #</u>	<u>Relationship to Applicant</u>
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Are any of the above listed household members full time students? ☐ YES ☐ NO
If yes, please list below (for students 18 years old or over, documentation of enrollment will be required).

Are any of the above listed household members divorced? ☐ YES ☐ NO
If yes, please list below and include documentation of child/ support and/or spousal support, or documentation that the household member is not receiving child support and/or spousal support



ANNUAL HOUSEHOLD INCOME INFORMATION: *Gross Annual income is income from all sources, including all wages and salaries (prior to deductions), overtime pay, commissions, tips, fees and bonuses, and other compensation for personal services, net business income, interest/dividend income, Social Security, Supplemental Security Income, pension payments, disability income, unemployment compensation, alimony/child support, and veterans' benefits, for all adult household members over the age of 18, unless the member is a full-time student.*

Annual Income (Applicant): Gross Income for the past 12 months: \$ _____

Employer Name: _____

Employer Address: _____

Employer Phone: _____ Job Position: _____

Wages BEFORE Taxes and Withholding:

\$ _____ (hourly -or- \$ _____ (weekly) - or- \$ _____ (other – specify: _____)

Additional Income from other sources (such as Social Security, Alimony, Child Support, Unemployment, Disability, Workers' Compensation, etc.):

Source: _____ Income per month: \$ _____

Source: _____ Income per month: \$ _____

Annual Income (Co-Applicant): Gross Income for the past 12 months: \$ _____

Employer Name: _____

Employer Address: _____

Employer Phone: _____ Job Position: _____

Wages BEFORE Taxes and Withholdings:

\$ _____ (hourly -or- \$ _____ (weekly) - or- \$ _____ (other – specify: _____)

Additional Income from other sources (such as Social Security, Alimony, Child Support, Unemployment, Disability, Workers' Compensation, etc.):

Source: _____ Income per month: \$ _____

Source: _____ Income per month: \$ _____

Note: If any other adult household members have income, or if a household member has more sources of income than there is space for above, please attach a separate sheet of paper with their income information as described above.



Household Asset Information: *Assets to be included include: cash, savings and checking accounts, stocks, bonds and other forms of capital investment, real estate and retirement accounts. Do not include the value of personal property such as furniture and automobiles.*

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Cash: _____

Stocks/Bonds - Description: _____ Value: \$ _____

Real Estate - Description: _____ Value: \$ _____

Retirement Account - Description: _____ Value: \$ _____

Total Household Assets: \$ _____

Note: If any other household members have assets from additional sources, please attach a separate sheet of paper for each with their asset information as described above.



Preferences and Affirmative Marketing

Local Preference Category Information:

Applicants are requested to provide information relative to the following for inclusion in the Local Preference pool.

- ☐ YES ☐ NO Current residents of the Town of Hanson: Please provide documentation of residency, such as rent receipts, utility bills, street listing or voter registration listing.
- ☐ YES ☐ NO Hanson Municipal Employees: Employees of the Town of Hanson teachers, janitors, firefighters, police officers, librarians, or town hall employees. Please provide documentation of employment (pay stubs, employment contract, etc.).
- ☐ YES ☐ NO Employees of Local Businesses: Employees of businesses located in the Town of Norfolk Please provide documentation of employment (pay stubs, employment contract, etc.).
- ☐ YES ☐ NO Households with children attending public schools in the Town of Hanson Schools. Please provide documentation of enrollment.

Affirmative Marketing:

Please complete the following section to assist us in fulfilling affirmative marketing requirements. The following section is optional.

Household Race:

- ☐ Caucasian
☐ African American/Black
☐ Asian/Pacific Islander/Native Hawaiian
☐ Native American / Alaskan Native

Ethnic Classification:

- ☐ Hispanic/Latino



General Authorization for Release of Information

Name: _____

Address _____

Address _____

Social Security Number: _____

Date of Birth: _____

Name: _____

Address _____

Address _____

Social Security Number: _____

Date of Birth: _____

I/we, the above named individual(s), authorize the Marketing/Lottery Agent to verify the accuracy of the information which I/we have provided or to secure information from the following sources:

Employer
Social Security
Department of Public Welfare
Veteran's Administration
Trust Administrators
Criminal History Systems Board
Other: _____

Banks and Credit Bureaus
Retirement & Pensions Systems
Department of Employment Security
Payor of Child Support
Insurance Companies

I/we hereby give permission to release this information to authorize the Marketing/Lottery Agent subject to the condition that it be kept confidential. I/we would appreciate your prompt attention in supplying the information requested on the attached page within five (5) days of receipt of this request. I/we understand that a photocopy of this authorization is as valid as the original. This authorization is valid for a period of one year from the date noted below. Thank you for your assistance and cooperation in this matter.

Applicant Signature

Date

Applicant Signature

Date



Verification of Employment

➡ Take this page out of the application, fill out Part I & Part II, have your employer fill out Part III, and then re-insert into the application. If you have more than one employer, or have more than one household member with an employer or employers, please make multiple copies. We need a Verification of Employment form for each and every job held by a household member.

PART I. APPLICANT INFORMATION (To be completed by Applicant)

Applicant: _____ Phone Number: _____

Signature: _____

PART II. EMPLOYER INFORMATION (To be completed by Applicant)

Name of Employer _____ Phone Number: _____

Address of Employer _____

PART III. EMPLOYMENT INFORMATION (To be completed by Employer)

1. Date of Employment _____ Position/Occupation _____
2. Date of Termination (if applicable) _____
3. Current Rate of Regular Pay \$ _____ per hour, week, month or year (circle one)
4. Current Rate of Overtime Pay \$ _____ per hour, week, month or year (circle one)
5. Gross income for the last 8 weeks \$ _____.
6. Do you anticipate any change in the employee rate of pay in the near future? Yes _____ No _____ If yes:
Revised Rate \$ _____ Effective Date: _____
7. Number of hours employee typically works per week: _____ Weeks per year: _____
8. Do you anticipate any change in the number of hours the employee works? Yes _____ No _____ If yes,
please explain _____
9. Anticipated average amount of overtime per week _____
10. Gross annual earnings you anticipate for this employee for the next 12 months \$ _____
11. Does the employee receive tips, bonuses, overtime, commissions? Yes _____ No _____ Please indicate
annual tips \$ _____ Bonuses: \$ _____ Overtime \$ _____ Commissions \$ _____
12. If the employee's work is seasonal or sporadic, indicate lay-off periods _____
13. Additional Comments: _____

Completed By (signature): _____ Date: _____

Name and Title: _____



Verification of Assets

Program regulations require verification of all assets on deposit for all members of the household applying for participation in the community housing program. We ask for your cooperation in supplying this information. This information will be used only to determine the eligibility status and/or level of benefit of the applicant household. Your prompt return of the requested information is appreciated. Please either use the grid below or you may attach a letter on company letterhead detailing the information.

PART I. APPLICANT INFORMATION (To be completed by Applicant)

Applicant: _____

Applicant Address: _____

Phone: _____ SSN: _____

RELEASE: I hereby authorize the release of the requested information

Signature: _____

PART II. ASSET INFORMATION (To be completed by Bank or other holder of Deposits)

	Account number	Current Balance	Average Monthly Balance for Last 6 Months	Current Interest Rate	Withdrawal Penalty and/or Limitations on Withdrawal
Checking/Savings					
Checking/Savings					
Money Market					
Certificates of Deposit					
Retirement (IRA, Keogh, 401(k), etc.)					

Signature of Authorized Representative _____

Title: _____ Date: _____ Telephone: _____



APPENDIX I: INCOME AND ASSETS

Annual Income

Annual gross income means all amounts, monetary or not, which go to, or on behalf of, the family head or spouse or to any other family member received from a source outside the family during the 12-month period following application.

Annual income includes, but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount; .
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- All regular pay, special pay and allowances of a member of the Armed Forces;
- Income derived from assets to which any member of the family has access.

Annual income does not include the following:

- Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; .
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide, as defined in Sec. 5.403;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Temporary, nonrecurring or sporadic income (including gifts);
- Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

Assets

Family Assets include the following:

- **Cash held in savings and checking accounts, safe deposit boxes, homes, etc.** For savings accounts, use the current balance. For checking accounts use the average balance for the last six months. Assets held in foreign countries are considered assets.
- **Revocable trusts.** Include the cash value of any revocable trust available to the applicant.
- **Equity in rental property or other capital investments.** Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
- **Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.** The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of a lottery application.

Individual retirement, 401K, and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)

Retirement and pension funds. *While the person is employed,* include only amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs. *At retirement, termination of employment, or withdrawal,* periodic receipts from pension and retirement funds are counted as income. Lump-sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below.

If benefits will be received in a lump sum, include the lump-sum receipt in net family assets.

If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

NOTE: This section assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent

delayed periodic payments, then the amount would be considered as income and not an asset.

- Cash value of life insurance policies available to the applicant before death (e.g., the surrender value of a whole life policy or a universal life policy). It would not include a value for term insurance, which has no cash value to the applicant before death.
- Personal property held as an investment. Include gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.
- Lump-sum receipts or one-time receipts. These include inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.
- A mortgage or deed of trust held by an applicant.

Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset.

This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification.

To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification. Since this amount will continually be reduced by the principal portion paid during the previous year, the owner will have to determine this amount at each annual recertification.

Assets disposed of for less than fair market value Applicants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received.

Net family assets DO NOT include the following:

- Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
- Interests in Indian trust land.
- Term life insurance policies (i.e., where there is no cash value).
- Equity in the cooperative unit in which the applicant lives.
- Assets that are part of an active business. "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
- Assets that are NOT effectively owned by the applicant. Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred on income generated by the assets.
- Assets that are not accessible to the applicant and provide no income to the applicant. Non revocable trusts are not covered under this paragraph.

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 5--GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS--Table of Contents

Subpart F--Section 8 and Public Housing, and Other HUD Assisted Housing
Serving Persons with Disabilities: Family Income and Family Payment;
Occupancy Requirements for Section 8 Project-Based Assistance

Sec. 5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession

may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except

as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments. (i) Welfare assistance payments

made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare

assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8)(i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under

a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket

expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month)

received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member

from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from

consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR

5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

(d) Annual limit of income. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.