

July 2024

Indiana Housing First Program Administration Manual



Indiana Housing & Community Development Authority

30 South Meridian Street, Suite 900

Indianapolis, Indiana 46204

317.232.7777 (p)

317.232.7778 (f)

Website: <https://www.in.gov/ihcda>

An amended Administration Manual will be released periodically, and the newest edition overrides all previous editions. Except where otherwise noted, all amendments to the Administration Manual apply to all awards, regardless of year of funding.

Table of Contents

- Section 1: Program Introduction..... 1
- Section 2: Request for Qualifications 2
 - 2.1 Eligible Applicants 2
 - 2.2 Application Process 2
- Section 3: Program Model and Strategy..... 3
 - 3.1 Housing First 3
 - 3.2 Critical Time Intervention 3
- Section 4: Program Activities 5
 - 4.1 Rental Assistance 5
 - 4.2 Supportive Services 6
 - 4.3 Administrative Costs 7
 - 4.4 Ineligible Costs 7
- Section 5: Participant Eligibility & Selection Plan..... 8
 - 5.1 Participant Eligibility & “Housing Crisis” Definition 8
 - 5.2 Income Eligibility 8
 - 5.3 Participant Selection Plan 9
- Section 6: Parameters of Assistance..... 11
 - 6.1 Length and Termination of Assistance..... 11
 - 6.2 Lease and Rental Assistance Payment Contracts 12
 - 6.3 Payment Standard..... 12
 - 6.4 Calculation of Rental Subsidy 13
- Section 7: Income Eligibility 16
 - 7.1 Overview of Income Eligibility Requirements 16
 - 7.2 Recertification 16
 - 7.3 Determination of Household Size 17
 - 7.4 Calculating Annual Household Income 17
 - 7.5 Income Exclusions 19
 - 7.6 Treatment of Assets..... 19
 - 7.7 Calculation of Adjusted Income..... 23
- Section 8: Housing Selection and Occupancy Standards 25
 - 8.1 Unit Selection 25
 - 8.2 Housing Quality Inspections 25
 - 8.3 Occupancy Standards 27
- Section 9: Monthly Reporting and Claims Submission..... 29
 - 9.1 Monthly Reports..... 29
 - 9.2 Claims Submission Process..... 29

Section 10: Ongoing Monitoring and Compliance.....	30
10.1 Homeless Management Information System	30
10.2 Record-Keeping	30
10.3 Client Feedback Form	31
10.4 Close-Out Reports	31
10.5 Budget Modifications	31
10.6 Re-allocation Policy	31
Section 11: Federal Requirements.....	33
11.1 Lead-Based Paint.....	33
11.2 Fair Housing.....	34
Exhibit A: Federally Mandated Exclusions from Income	35

Section 1: Program Introduction

This is the Indiana Housing First Program Administration Manual (“Manual”) which governs the Indiana Housing First Program (“the Program”).

The Program was established 2017 to increase housing stability for individuals and households with a serious and persistent mental illness, a chronic chemical addiction, or a serious and persistent mental illness with a co-occurring chronic chemical addiction, who are also facing a housing crisis, exiting a residential treatment program, or could exit a residential treatment program with access to affordable housing and supportive services.

The Program offers rental assistance and supportive services to eligible households for a period not to exceed 24 months. The amount of subsidy varies per household and is based upon the adjusted income of the household and the rent requested by the landlord. As a “tenant-based” subsidy, the assistance is attached to the household. Households may utilize their assistance at a qualified unit of their choosing, and upon lease expiration, may move with their assistance to another eligible unit given that they remain eligible for the Program. While all households should be offered supportive services, receipt of housing assistance is not contingent upon participation in services (participants are, however, required to check-in with recipient at least monthly). Furthermore, households are not required to receive rental assistance to receive supportive services and be enrolled in the Program.

Program regulations may be found in [Indiana Code 5-20-9](#).

Section 2: Request for Qualifications

2.1 Eligible Applicants

Eligible applicants are nonprofit corporations recognized as tax exempt under Section 501(c)(3) of the U.S. Internal Revenue Code, public housing agencies, or units of local government. Each applicant that is awarded funding under the Program may award portion(s) of its awards to one or more sub-grantees to carry out eligible Program activities. The types of eligible sub-grantees are represented in the list below. If an applicant designates a sub-grantee responsible for any eligible Program activity, the applicant still holds responsibility for ensuring that those activities are carried out and comply with all relevant policies and laws.

For the purposes of delivering comprehensive services and building community support networks, applicants are encouraged to have formal and informal relationships with the following organizations:

- Nonprofit or faith-based organizations providing services to individuals and families in the Program's target population.
- Units of local government.
- School corporations and schools.
- Businesses.
- Public housing agencies.
- Social service providers.
- Mental health providers.
- Hospitals.
- Affordable housing developers and providers.
- Law enforcement agencies and correctional facilities.
- Organizations serving homeless veterans.
- Organizations serving victims of domestic violence.
- Universities.
- Workforce development and job training agencies.
- Other public or private entities IHCDA considers appropriate to partner with to accomplish the purposes of the Program.

Current Indiana Housing First recipients must be compliant with the benchmarks and requirements of its award agreement to request an additional Housing First Award.

2.2 Application Process

A Requests for Qualifications (“RFQ”) is released annually to announce the funding and solicit applications from eligible applicants. An eligible applicant (as defined in Section 2.1) may request an amount in funding in the form of a grant from the Indiana Housing and Community Development Authority (“IHCDA”) under the Program. The amount of funding available per applicant varies annually. Recipients will be selected through a competitive scoring process and may only use grant funds for the eligible activities defined in Section 4 of this policy.

Section 3: Program Model and Strategy

The Program provides rental assistance and supportive services to individuals and families with serious mental illness and/or chronic chemical addiction who are also facing a housing crisis (as defined in Section 5.1). The Program uses a housing first model, meaning that services provided are voluntarily selected by Program participants and are predicated on a harm reduction approach to addiction, rather than mandating abstinence. Assistance is time-limited with the goal of increasing self-sufficiency and building support networks.

3.1 Housing First

Housing First is an approach to quickly connect individuals and families experiencing a housing crisis to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.¹

Central to the Housing First model is the belief that all individuals are “ready” for housing and can achieve stability in permanent housing with the right supports. Additionally, housing should be provided prior to attempting to identify and address the causes of a housing crisis.

This program follows the Housing First philosophy by having low-barrier entry criteria and providing supportive services. Program recipients may not add additional barriers to program entry (such as sobriety, criminal history, minimum income, minimum credit, etc.). Supportive services are available, but not required, to allow participants to maintain and achieve housing stability. If a household elects to receive services, those services must be individually tailored to the needs and goals of each household.

3.2 Critical Time Intervention

The Program follows a Critical Time Intervention (“CTI”) approach to providing assistance. CTI is an evidence-based practice that has been demonstrated to be effective at providing support to individuals with serious mental illness during a transition from sheltered or unsheltered homelessness to permanent housing.²

The goal of CTI is to build long-lasting stability by developing a community support network tailored to the individual’s needs. The supports established are expected to last long after the financial assistance and relationship with the case manager are terminated. CTI is typically split into three phases (Table 1), with each phase typically expected to last four months. CTI case managers typically have small caseloads of approximately 15 clients and this is determined using a weighted caseload tool that reflects the increased needs of clients in pre-CTI and Phase One.

¹ <https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>

² Susser, E., Valencia, E., Conover, S., Felix, A., Tsai, W., & Wyatt, R. (1997). Preventing recurrent homelessness among mentally ill men: A “critical time” intervention after discharge from a shelter. *American Journal of Public Health*, 87(2), 256–262.

Pre-CTI: Housing Placement	Phase One: Transition	Phase Two: Try Out	Phase Three: Transfer of Care
Varies	Months 1-4	Months 5-8	Months 9-12
<ul style="list-style-type: none"> • Case manager begins building a relationship with the client and developing the client’s understanding of CTI • Case manager and client identify goals and begin developing housing plan 	<ul style="list-style-type: none"> • Case manager provides special support to client • Case manager makes connections to community providers and services • Client meets with providers and starts to build a community support network • Case manager makes frequent home visits • Case manager accompanies client to appointments 	<ul style="list-style-type: none"> • Case manager evaluates operation of support network • Case manager makes adjustments and changes as necessary • Case manager still meets with client regularly, but less frequently 	<ul style="list-style-type: none"> • Case manager monitors connections to community support network • Case manager develops plan with client for long-term goals and begins to set that plan in motion • Project ends support once community support networks are safely in place

Table 1 CTI Phases³

In depth CTI training opportunities will be offered by IHCDCA throughout the grant term and will be required for any agencies and staff that have not yet had CTI training. Some trainings may be required for all agencies, regardless of former training or experience.

The CTI model is required for all program participants, with the goal of transitioning participants off the program within the twelve-month CTI timeframe. However, after the CTI period ends, some participants may require a more intensive level of services, and no participant should be terminated from the program for failure to achieve stability in twelve months. Rental assistance and services are available for up to 24 months to continue to assist households who may ultimately need more intensive resources, such as supportive housing or long-term rental subsidy.

³ Table adapted from “Critical Time Intervention: An Empirically Supported Model for Preventing Homelessness in High Risk Groups,” by Herman, D., Conover, S., Felix, A., Nakagawa, A., and Mills, D. (2007). *The Journal of Primary Prevention*, 28:295-312: 298.

Section 4: Program Activities

Program funds may be used to pay for rental assistance, associated housing costs, and certain supportive services for eligible participants. Administrative costs are also available for administering services pursuant to the Program. Participants are not required to receive rental assistance to receive supportive services.

While CTI must be offered to all assisted households, participation in those services cannot be required. If a household chooses not to engage in CTI at the time of enrollment, the recipient must offer services at least monthly throughout the duration of the time that the individual/household receives assistance. Programs must operate on a harm reduction approach to addiction, rather than abstinence, while supporting a Program participant's commitment to recovery. Regardless of participation in CTI, participants must meet with a case manager at least monthly to review housing stability plans and assess service needs.

4.1 Rental Assistance

A minimum of 60% of the overall grant amount must be used for rental payments and other eligible housing costs as defined below:

Rental Payments

Eligible rental payments include:

- Monthly rental payments and first and last month's rent if required by the owner are eligible rental assistance costs.
- Utilities which are included in the rent.
- Up to three months of rental arrears and associated late fees may be paid if this payment is necessary for the household to obtain or maintain permanent housing. If the arrears are paid, the amount of the arrearage must be considered when determining the total number of months of rental assistance that the household is eligible to receive.
- Lot rent for mobile homes or RVs.

Payments must be paid directly to a third-party on behalf of the household and must be paid one month at a time. Pro-rated rents and rental arrears payments may be included with the first month's rent. Rental payments are limited to 24 months per household per episode of housing crisis.

Security Deposits

Eligible payments include:

- Security deposits of up to the value of two months of rent.

Payments must be paid directly to a third-party on behalf of the household. Any amount of the security deposit returned to the recipient following a tenant's lease termination or expiration should be returned in full to the tenant.

Other Eligible Housing Costs

- Up to three months of utility arrears if this assistance is necessary for the household to obtain or maintain utilities in a unit for which they are receiving rental assistance. If the arrears are paid, the amount of the arrearage must be considered when determining the total number of months of rental assistance that the household is eligible to receive.
- Utility deposits and ongoing utility payments (not to exceed the IHCD published utility allowance for the county) for households receiving rental assistance. The recipient may not pay utilities if the Program participant is receiving utility assistance from another source.
- Application fees or background checks required by the property owner to obtain housing.
- One-time moving fees.
- Costs for housing search, conducting National Standards for the Physical Inspection of Real Estate (NSPIRE) inspections, and calculating participant income may be considered either administrative or rental assistance costs. It is at the recipient's discretion to determine how file claims for these activities.

4.2 Supportive Services

A maximum of 30% of the overall grant amount may be used for supportive services costs as defined below:

- Employment assistance and job training,
- Substance abuse and addiction treatment,
- Educational assistance,
- Life skills assistance,
- Treatment for, and the management of, mental and physical health problems,
- Developing individualized housing and service plans,
- Transportation assistance, including:
 - The costs of a program participant's travel on public transportation (e.g., bus passes) or in a vehicle provided by the subrecipient,
 - If public transportation is not sufficient in the area, the subrecipient may pay for the costs of a program participant's travel using a rideshare service to and from medical care, employment, childcare, or other eligible services,
 - If public transportation options are not sufficient within the area, the subrecipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle, subject to the following:
 - Payments for car repairs or maintenance on behalf of the program participant may not exceed 10 percent of the Blue Book value of the vehicle (Blue Book refers to the guidebook that compiles and quotes prices for new and used automobiles and other vehicles of all makes, models, and types);
 - Payments for car repairs or maintenance must be paid by the subrecipient directly to the third party that repairs or maintains the car; and
 - Subrecipients may require program participants to share in the cost of car repairs or maintenance as a condition of receiving assistance with car repairs or maintenance,
- Assessment of service needs,

- Legal services,
- Childcare assistance,
- Provide housing stability case management services,
- Costs of acquiring essential household items (e.g., kitchenware, cleaning supplies, furniture, and bedding), to be provided to the participant as a grant and not to exceed \$250 per household per term of assistance without written permission from IHCDA, and
- Developing plans, making referrals, or connecting to the types of services listed above (e.g., internet or phone services).

4.3 Administrative Costs

A maximum of 10% of the overall grant amount may be used for administrative costs as defined below:

- Processing claims,
- Supervision of Program staff,
- Reporting, including IHCDA required program evaluation and HMIS costs (see sections 9 and 10),
- Conducting National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection,
- Housing search,
- Mediation with property owners and/or landlords,
- Determining participant eligibility, and
- IHCDA-approved training.

4.4 Ineligible Costs

- Mortgage assistance, utility payments for homeowners, other costs related to homeownership.
- Rent or utility assistance for households receiving other housing subsidy.
- Hotel/motel payments.
- Cable or satellite services.
- Monthly utility payments for households not receiving rental assistance.
- Renter's insurance, unless included in rent.
- Furniture and other household items costing more than \$250 per household per term of assistance without specific written permission from IHCDA.
- Any other costs not listed in this document without specific written permission from IHCDA.

Section 5: Participant Eligibility & Selection Plan

5.1 Participant Eligibility & “Housing Crisis” Definition

As defined in [Indiana Code 5-20-9](#), an eligible person is an individual with a serious mental illness, a chronic chemical addiction, or a serious and persistent mental illness with a co-occurring chronic chemical addiction, resulting in a housing crisis as defined below. Eligible participants in this program are households in which at least one member is an eligible person as defined above, and all members are experiencing a housing crisis.

For the purposes of this Program, **Housing Crisis** is defined as a situation in which a household does not have sufficient resources or support networks immediately available to maintain safe and affordable housing or to prevent the individual or household from requiring emergency housing. A household will be determined to be in a housing crisis if they meet one of the following conditions:

- They are residing on the street or a place not meant for human habitation;
- They are residing in temporary housing, including emergency shelter, transitional housing, or are currently staying with family or friends on a temporary basis and must vacate within 2 weeks;
- They are facing an imminent court-ordered eviction. A household served under this definition is only eligible for a one-time arrears payment to prevent the eviction and prevent homelessness but can be served with ongoing services.
- They are exiting a residential treatment program within 30 days and do not have immediate access to permanent housing, or
- They are living in an institution or other restrictive setting and could, with stable and affordable housing provided by this Program, along with community and home-based supports, live independently in the community.

The recipient must use the Housing Crisis Verification form provided by IHCDA to document the Housing Crisis status. Furthermore, the recipient must document the eligibility by having documentation from a knowledgeable third-party to verify that one of the above diagnoses applies. The recipient should not keep detailed medical records or information about the specific disability in the client file.

5.2 Income Eligibility

There is no income qualification for initial enrollment. Rather, initial eligibility is based solely on qualifying as an “eligible person” experiencing a “housing crisis” as described in Section 5.1 above. However, income must still be calculated at initial enrollment to determine the participant’s rent contribution. Recipients may not establish a minimum income requirement for the Program and must accept households with little or no income.

Recipients must complete the Tenant Income Certification (TIC) Form for all participants. TIC form must be: 1. Signed and dated by all adult members of the household, 2. Completed at the time of the initial enrollment and at the time of recertification, if applicable.

To receive rental assistance for more than 12 months, the participant household's income must be certified (in accordance with the Section 8 Methodology per 24 CFR 5.609 and 24 CFR 5.611(a)) as having an annual income at or below 50% of the area median income (AMI) as published annually by HUD. This income certification must be conducted no more than 120 days prior to the end of the first twelve months of rental assistance to determine eligibility for an additional twelve months of assistance. Under no circumstances shall the rental assistance for a household extend beyond 24 months.

Recipients must document recertification of Program participant eligibility at least once annually. To receive rental assistance beyond 12 months, the recertification must establish, in addition to the initial eligibility criteria, that:

- The Program participant's annual income does not exceed 50% of the AMI as published by HUD, using the Section 8 methodology of calculating and verifying income.
- The Program participant does not have sufficient resources or support networks immediately available to maintain safe and affordable housing or to prevent the individual or household from requiring emergency housing.

Documentation of serious mental illness and/or chronic chemical addiction does not need to be re-obtained at recertification if the qualifying individual is still a member of the household.

If a participant household's income exceeds 50% AMI at recertification but the household is otherwise eligible for the Program, then the household is not eligible for an additional 12 months of rental assistance but may continue to receive supportive services for an additional 12 months. In this case, the participant household may receive rental assistance for one month following the recertification to promote housing stability. If the participant household's income is later reduced below 50% AMI following the annual recertification, the participant household may receive rental assistance for the remainder of their term of assistance. Income documentation must be retained in the client file.

Participant households will be determined to be ineligible for continued participation in the Program at recertification or at any time during their period of assistance if the Program participant has sufficient resources or support networks immediately available to maintain safe and affordable housing and/or if the participant household no longer has at least one member with a serious and persistent mental illness and/or chronic chemical addiction.

Households determined ineligible at recertification or at any time during their period of assistance may continue to receive rental assistance for one month and may continue to receive supportive services for an additional three months following the date of determination of ineligibility to support the household's transition to long-term stability.

5.3 Participant Selection Plan

Prior to enrolling applications, each recipient must develop a participant selection plan which clearly describes the process by which households are selected for participating in the Indiana Housing First program. The plan must be approved by IHEDA prior to implementation.

All participant selection plans must:

- Include this Program’s definition of “eligible participants” and “housing crisis”,
- Describe how eligible persons who are medically vulnerable and either experiencing homelessness or immediately exiting a residential treatment program will be prioritized,
- Describe how eligible persons who are medically vulnerable and experiencing a housing crisis otherwise will be prioritized,
- Identify any method by which potential participants are identified and apply to the program, describing the role of Coordinated Entry, and
- Acknowledge that the program follows the nondiscrimination requirements included in the Fair Housing Act.

Section 6: Parameters of Assistance

6.1 Length and Termination of Assistance

Eligible households may receive rental assistance for a maximum of 24 months per Housing Crisis. Supportive services and other housing costs may be provided to participants prior to their receipt of rental assistance to help them obtain an eligible unit and connect to services. Supportive services may also be provided to participants throughout their term of assistance on an individualized basis and immediately after rental assistance has ended to support their transition out of the Program. Households may also choose to receive only supportive services through the program for up to 24 months. In total, households may not be enrolled in the Program for more than 30 months. Enrollment includes receipt of rental assistance and other housing costs, supportive services, or both.

Housing First participants are any household that is the beneficiary of at least one eligible cost. Households who have exited the Program but in the future experience a new and distinct Housing Crisis may be enrolled in the Program for a period not to exceed 24 months.

The recipient may terminate assistance to a participant if the participant violates Program rules. Recipients must establish written standards and formal processes for terminating assistance which must be conveyed to the participant prior to termination. This process must consist of:

- Written notice to the participant clearly explaining the reason for termination.
- A review of the decision, in which the participant has at least 10 days to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision.

Termination does not bar a participant from receiving assistance at a later date from any recipient of this Program, including the recipient who terminated assistance.

The recipient must carefully consider the reason for termination and all extenuating circumstances so that termination only occurs in the most severe cases.

Definition of Temporarily Absent

Generally, an individual who is or is expected to be absent from the Unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a member of the household.

Definition of Permanently Absent

Generally, an individual who is or is expected to be absent from the Unit for more than 180 consecutive days is considered permanently absent and is no longer considered a member of the household.

If an individual will be absent from the Unit for more than 180 days, and there are no remaining household members in the Unit, then the recipient must terminate rental assistance payments.

The Tenant must provide notice to the Recipient when he, she or another member of the household will be absent from the Unit for an extended period of time. An extended period of time is defined

as any period greater than 30 calendar days. The Tenant must provide written notice to the Recipient at the beginning of his, her or another member of the household's absence. The Recipient is under no obligation to continue to provide rental assistance to a vacant unit. If the Tenant fails to provide notice of his or her absence, the Recipient can immediately terminate his or her rental assistance.

The Tenant and/or other members of the household that remain in the Unit during the absence, must ensure that the following activities are being performed during the absence:

- (a) Payment of utility bills;
- (b) Maintaining any appliances that the landlord is not required to provide under the lease;
- (c) Payment of the tenant's portion of rent as detailed in Rental Assistance Payment Contract; and
- (d) Notifying the landlord of the absence.

Whenever possible, households should be given the opportunity to complete a client feedback form when exiting the Housing First Program (see Section 10.4).

6.2 Lease and Rental Assistance Payment Contracts

Program participants receiving rental assistance (except for those receiving eviction prevention assistance only) must execute a lease with the property owner. Initial lease terms must be for no less than 12 months, and leases must be renewable. Leases must be reviewed by the recipients to ensure that lease terms are not overly burdensome on the program participant. Participants may identify a guarantor or non-resident co-signor if requested by the landlord to help secure a lease. Leases should not include co-signors who are not members of the eligible household.

In addition to the lease, recipients and households must also complete the Housing First Rental Assistance Payment ("RAP") Contracts. The Rental Assistance Payment (RAP) Contracts are two agreements, the first between the landlord and the recipient and the second between the recipient and the participant. These documents describe the responsibilities of each party and should be retained in each participant file in addition to the lease.

The participant's file should be updated annually with renewed documentation.

6.3 Payment Standard

Rent must be determined to be reasonable to ensure that a fair rent is paid for each unit rented under this Program. The contract rent charged by the landlord, plus a utility allowance if utilities are not included in the rent, must be determined to be reasonable. The recipient must use AffordableHousing.com website to search for comparable units to determine if the rent plus utility allowance is reasonable.

The following factors will be taken into consideration when determining rent reasonableness:

- Location and age of unit,
- Unit size including the number of rooms and square footage of rooms,

- The type of unit including construction type (e.g., single-family, duplex, garden, low-rise, high-rise),
- The quality of the unit including the quality of the original construction, maintenance and improvements made, and,
- Amenities, services, and utilities included in the rent.

Please use www.AffordableHousing.com (formerly GoSection8.com) to determine rent reasonableness. To request a username and get access to the website, please email the Supportive Housing Analyst. Refer to the Rent Reasonableness User Manual (available via the [Housing First Web Page](#)) for guidance regarding rent reasonableness determinations. Rent reasonableness must be re-determined annually. Print out the rent reasonableness determination from the AffordableHousing.com website and place it in the tenant's file. If the comparable units available on AffordableHousing.com do not reflect local market conditions, recipients may contact the Supportive Housing Analyst to request an alternate method for calculating reasonable rent.

The recipients must also review and approve rent increases by landlords renting to tenants participating in the Program. Owners may adjust rents as leases are renewed (generally annually). The recipient generally should disapprove a lease/unit if the rent is not reasonable. The recipient may approve a lease/unit that is not reasonable only if the participant agrees to pay the difference between the rent reasonableness determination and the rent being charged by the landlord, in addition to their calculated contribution. In these cases, the recipient is strongly encouraged to evaluate all available housing options and to employ the CTI Model to ensure that the increased cost contributes to the long-term housing stability of the tenant. The recipient is also encouraged to establish guidelines for disapproving units based on the participant's income. For example, recipients may implement a policy where they will approve leases that are not reasonable in limited instances, but only if the tenant contribution will not exceed 50% of the participant's income.

6.4 Calculation of Rental Subsidy

Recipients must evaluate a Program participant's income at initial enrollment, at recertification, and anytime there is an increase or decrease in household income. The participant's rent contribution must be at least 30% of the household's monthly adjusted income (adjustment factors include the number of people in the household, the age of household members, medical expenses, and child-care expenses). Income must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). Income should be recalculated whenever there is a change in the household's status (household size, employment, etc.) that would lead to an increase or decrease in income.

While Program participants must pay a portion of their income as rent, the nature of this Program allows for flexibility in calculating the amount the participant will pay. It may be unrealistic for a household to make the necessary increases in income before assistance ends for the household to pay their full monthly rent with only 30% of their income. Therefore, recipients may require the participant to pay an amount above 30% of their income, so long as that amount:

- Is based on a percentage of the household's income, not a specific dollar amount.
- Is reasonable for the household to pay and still meet basic needs.
- Is conducive to the recovery and long-term stability of the household.
- Takes into consideration any utilities, medical costs, education costs, childcare costs, or

other reasonable reoccurring fees that the household pays.

Participant rent contribution may change as income changes, or over time as the participant moves through the Program. Changes in rent contributions should be reasonable and account for all the factors listed above. Additionally, if a participant's income decreases, the participant's rent contribution should decrease to reflect this change in status, as long as the decrease does not go below 30% of the participant's monthly income. The method used to calculate the participant rent may vary by household. **IHCDA requires the recipient to document the determined structure for each household and document when the standard is deviated from.** In addition, if certain exceptions to the determined structure are made for one household, the same exceptions must be considered for all households in similar circumstances.

Rental Subsidy Examples

IHCDA encourages recipients to work with individual households to identify the financial resources needed to assist in returning to housing as quickly as possible. Recipients should be transparent and realistic when working with households to identify what financial assistance is available. Examples of subsidy models include gradually decreasing the amount of subsidy the household receives over the course of rental assistance or requiring the household to pay an increasing percentage of income the longer they receive the subsidy. It is recommended that recipients establish an initial period of assistance during the Pre-CTI phase, and revisit the potential for extension based on household needs as the subsidy limit is reached.

Subsidy Model Examples: *Below are common models used to establish subsidy guidelines. Recipients can adjust model amounts or percentages based on the individual needs of households.*

Decreased subsidy approach: This model is focused on decreasing the amount of subsidy the recipient provides. The recipient establishes a percentage of rent that will be subsidized for the household for a determined period of time. The recipient communicates with the household how the subsidy provided will decrease over time to support the household in preparing to take over the full rent amount when the subsidy ends.

Example: Recipient pays 50% of the rent for months 1-3. The ongoing subsidy need is reviewed at the end of month two and determined that the household is not yet ready to take on the full amount of rent. The recipient agrees to subsidize months 4-6 by paying 35% of the rent. In month five the Recipient revisits the need for ongoing assistance, and it is determined that the household can take over the full rent amount after month 7. The recipient agrees to pay 20% of the rent in month 7. The household pays 100% of their rent in month 8.

Increased tenant income approach: This model focuses on increasing the percentage of income the household contributes to their rent over the period of time assistance is provided. The recipient will work with the household to determine what percentage of their income will be dedicated to the total rent amount once the subsidy ends and gradually increases the percentage of income the household pays toward their monthly rent with the goal of preparing the household to take over the full rent amount at the end of the subsidy period.

Example: Prior to moving in, it is determined that the rent of the selected unit is the equivalent of 65% of the household's adjusted monthly income. The household contributes 50% of their adjusted income to their rent in months 1-3 and the recipient subsidizes the remaining portion of the rent. Ongoing subsidy need is reviewed at the end of month two and determined that the household is not yet ready to take on the full amount of rent. The recipient agrees to subsidize months 4-6 and the household contribution is increased to 55% of their adjusted income. In month five the recipient revisits the need for ongoing assistance, and it is determined that the household can take over the full rent amount after month 7. The household contributes 60% of their monthly income to rent in month 7. The household pays 100% of their rent which is the equivalent to 65% of their monthly income in month 8.

Setting Limits/Thresholds for Assistance: Recipients are required to set a threshold for assistance, for example, if a household's rent is less than an equivalent of 50% of its income it is recommended that ongoing monthly assistance is not provided but that move in-assistance is provided to support the household in obtaining permanent housing.

Assistance thresholds should be documented in the recipient's program manual and communicated to potential and enrolled households seeking assistance.

The tenant's portion of the rent is paid directly to the landlord and is subject to the same timeliness requirements as the overall rent. In other words, failure to pay the tenant portion of the rent for an assisted unit can be a reason for eviction.

Section 7: Income Eligibility

7.1 Overview of Income Eligibility Requirements

While there is no income qualification for initial enrollment, income must still be calculated at initial enrollment to determine the participant's rent contribution. Recipients must complete the Tenant Income Certification (TIC) Form for all participants. To receive rental assistance for more than 12 months, the participant household's income must be certified (in accordance with the Section 8 Methodology per 24 CFR 5.609 and 24 CFR 5.611(a)) as having a gross annual income at or below 50% of the area median income (AMI) as published annually by HUD. This income certification must be conducted no more than 120 days prior to the end of the first year of assistance to determine eligibility for a second year of assistance. Under no circumstances shall the rental assistance for a household extend beyond 24 months.

7.2 Recertification

Recipients must document recertification of Program participant eligibility at least once annually if the assisted household is going to receive more than 12 months of rental assistance. The recertification must establish, in addition to the initial eligibility criteria, that:

- The Program participant's gross annual income does not exceed 50% of the AMI as published by HUD, using the Section 8 methodology of calculating and verifying income.
- The Program participant does not have sufficient resources or support networks immediately available to maintain safe and affordable housing or to prevent the individual or household from requiring emergency housing.

Documentation of serious mental illness and/or chronic chemical addiction does not need to be re-obtained at recertification if the qualifying individual is still a member of the household.

If a participant household's gross income exceeds 50% AMI at recertification but the household is otherwise eligible for the Program, then the household is not eligible for an additional 12 months of rental assistance but may continue to receive supportive services for an additional 12 months. In this case, the participant household may receive rental assistance for one month following the recertification to promote housing stability. If the participant household's income is later reduced below 50% AMI following the annual recertification, the participant household may receive rental assistance for the remainder of their term of assistance. Income documentation must be retained in the client file.

Participant households will be determined to be ineligible for continued participation in the Program at recertification or at any time during their period of assistance if the Program participant has sufficient resources or support networks immediately available to maintain safe and affordable housing and/or if the participant household no longer has at least one member with a serious and persistent mental illness and/or chronic chemical addiction.

Households determined ineligible at recertification or at any time during their period of assistance may continue to receive rental assistance for one month and may continue to receive supportive

services for an additional three months following the date of determination of ineligibility to support the household's transition to long-term stability.

7.3 Determination of Household Size

When determining household size, do not include live-in aides, guests, or foster children and foster adults.

A household has the right to decide whether or not to include individuals permanently confined to a hospital or nursing home as a household member. If the individual is included as a household member, their income must be certified and included.

Military members away on active duty are only counted as household members if they are the head, spouse, or co-head or if they leave behind a spouse or dependent child in the unit.

All other individuals, including temporarily absent family members (e.g., dependents away at school, etc.), unborn children, and children in joint custody agreements that are in the unit at least 50% of the time, must be included in household size.

7.4 Calculating Annual Household Income

Annual income is defined as the gross amount of earned and unearned income to be received by all adult members of the household (18 years of age and older, including full-time and part-time students) and the gross unearned income of minors during the 12 months following the date of certification or recertification.

The grantee must generally use current circumstances to anticipate income. However, if information is available on known changes expected to occur during the year, the grantee must use that information to determine the total anticipated income.

1. **Nonrecurring income:** Income that is not recurring is not counted as income. Examples of income that is considered nonrecurring and thus excluded include:
 - a. payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment,
 - b. direct federal or state payments for economic stimulus or recovery,
 - c. tax refunds or tax credits,
 - d. gifts for significant life events or milestones (holidays, birthdays, weddings, baby showers, etc.),
 - e. lump sum additions to net family assets, including lottery or contest winnings,
 - f. non-monetary, in-kind donations such as food, clothing, or toiletries received from a food bank or similar organization,
 - g. nonrecurring, non-monetary in-kind donations from friends and family

- h. nonrecurring payments made to the family or to a third-party on behalf of the family to assist with utilities or eviction prevention,
 - i. security deposits to secure housing,
 - j. payments for participating in research studies (depending on the duration),
 - k. other general one-time payments
2. **Unsecured income:** IHCDA does not require grantees to include unsecured income sources when calculating household income. For example, if an applicant or tenant is unemployed IHCDA does not require that individual to anticipate income he or she may earn if a job is secured, unless it is verifiable that a job has been secured for a future start date.
3. **Sporadic or seasonal income:** The grantee must use reasonable judgment to determine the most reliable method of calculating income in scenarios where income fluctuates, such as when income is received as an independent contractor, day laborer, or seasonal worker.
- a. A day laborer is defined as “an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.”
 - b. An independent contractor is defined as “an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment tax.” Individuals considered “gig workers,” such as babysitters, landscapers, rideshare or app-based delivery drivers, and house cleaners, typically fall into the category of independent contractors.
 - c. A seasonal worker is defined as “an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer); and 2) employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.” Examples include employment linked to holidays, agricultural seasons, lifeguards, ballpark vendors, snowplow drivers, etc.

Such income does **not** meet HUD’s definition of “nonrecurring” and must be counted as income. If income cannot be determined using current information, the grantee may anticipate income based on the actual income that was earned within the last 12 months prior to the income determination. However, prior year’s income should not be used if information is available that shows the situation has changed.

4. **Garnished or withheld wages or benefits:** When a household member’s wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the gross amount of income prior to the reduction must be used to determine annual income.

Whose Income and Assets are Counted?

Member	Earned Income	Unearned/Asset Income
Head of household	Yes	Yes
Spouse/ Co-head	Yes	Yes
Other adult	Yes	Yes
Dependent Child Under 18	No	Yes
Full-time student over 18 **	See Note Below	Yes
Non-members (live-in aides, guests, foster children, foster adults, etc.)	No	No

**If a full-time student over 18 is a dependent of the household, only a maximum of \$480 (adjusted by inflation) of earned income is included in annual household income.

7.5 Income Exclusions

Any income source not specifically excluded by HUD regulation must be included in the calculation of annual income. See the list of income exclusions at 24 CFR 5.609, as amended from time-to-time via Federal Register Notice. The most recent Federal Register Notice listing all income exclusions is attached as Exhibit A.

7.6 Treatment of Assets

Net Family Assets Defined

Net family assets are defined as the net cash value of all assets owned by the family (except necessary personal property and specifically excluded assets), after deducting reasonable costs that would be incurred to dispose of real property, savings, stocks, bonds, and other forms of investment.

There are three types of assets:

- Real property is **included** in net family assets. Real property includes land or a home.
- Necessary personal property is **excluded** from net family assets. Necessary personal property includes (1) items essential to the family for the maintenance, use, and occupancy of the premises as a home, (2) items necessary for employment, education, or health and wellness, (3) items that assist a household member with a disability or that may be required for a reasonable accommodation for a person with a disability, and (4) personal effected including items that are convenient or useful to a reasonable existence and that support and facilitate daily life within the home.
- Non-necessary personal property includes bank accounts, other financial investments, luxury items, and other items not counted as necessary personal property. Non-necessary personal property is treated as follows:
 - If combined value > \$50,000 (adjusted by inflation) **include** in net family assets
 - If combined value ≤ \$50,000 (adjusted by inflation) **exclude** from net family assets, but actual income from the assets is still included as income

See Table F1 from HUD Notice H 2023-10/PIH 2023-27 (copied below) for examples of necessary personal property versus non-necessary personal property.

Table F1: Examples of Necessary and Non-Necessary Personal Property

Necessary Personal Property	Non-Necessary Personal Property
<ul style="list-style-type: none"> • Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) • Furniture, carpets, linens, kitchenware • Common appliances • Common electronics (e.g., radio, television, DVD player, gaming system) • Clothing • Personal effects that are not luxury items (e.g., toys, books) • Wedding and engagement rings • Jewelry used in religious/cultural celebrations and ceremonies • Religious and cultural items • Medical equipment and supplies • Health care–related supplies • Musical instruments used by the family • Personal computers, phones, tablets, and related equipment • Professional tools of trade of the family, for example professional books • Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities • Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment) 	<ul style="list-style-type: none"> • Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs)) • Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) • Recreational boat/watercraft • Expensive jewelry without religious or cultural value, or which does not hold family significance • Collectibles (e.g., coins/stamps) • Equipment/machinery that is not used to generate income for a business • Items such as gems/precious metals, antique cars, artwork, etc.

The market value of an asset is its dollar value on the open market. The cash value of an asset is the market value minus reasonable expenses incurred to convert the asset to cash, including for example:

- Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges incurred when an asset is converted to cash are deducted from the market value to determine its cash value.
- Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in real estate.

If an asset is not effectively owned by an individual, do not include as a household asset. An asset is not considered “effectively owned” by an individual when the asset is held in the individual’s name but the asset and income it earns accrue to the benefit of someone else who is not a member of the family, and that other person is responsible for taxes on income generated by the asset.

NOTE: Some income sources (including benefits such as Social Security) are being paid onto special pay cards / prepaid debit cards instead of through direct deposit into a checking or savings account. These cards are included as assets and are verified in the same way as a checking or savings account. A current balance must be provided and included as an asset in addition to the benefit income being counted as income. This balance can be obtained through an online account service, a paper

statement, or an ATM balance.

Disposed of Assets

Assets disposed of for less than fair market value are included as assets for a period of two years from the date of disposal. The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset. This rule only applies if the difference between the cash value and the amount received is greater than \$1000.

Assets disposed of for less than fair market value as a result of foreclosure or bankruptcy or those lost through a separation or divorce settlement are not included in this calculation.

Jointly Owned Assets

If assets are owned by the household and one more individuals outside of the household, the owner agent must include the total value of the asset in the calculation of net family assets unless (1) the asset is specifically excluded, (2) the household can demonstrate that the asset is inaccessible to them, or (3) the household cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the household has access to only a portion of the asset, then only that portion's value is counted in the calculation of net family assets.

If the household member is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise draw funds from the account, then the account is not counted as an asset for the household.

Assets with Negative Equity

The value of real property or other assets with negative equity is considered \$0 for purposes of calculating net family assets.

Excluded Assets:

The following are excluded from net family assets. Any asset source not specifically excluded must be included in net family assets.

- The value of necessary items of personal property (see below)
- The value of non-necessary items of personal property with a combined value \leq \$50,000 (adjusted by inflation). However, actual income earned from such assets is still included as income.
- The value of any account under a retirement plan recognized as such by the IRS, including Individual Retirement Accounts (IRAs), employer retirement plans such as 401(k) or 403(b) plans, and retirement plans for self-employed individuals.
- The value of real property that the household does not have the effective legal authority to sell. Examples include co-ownership situations where one party cannot unilaterally sell the real property (including situations where one owner is a victim of domestic violence), property tied up in litigation, or inherited property in dispute.
- Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a household member arising out of law that resulted in a member of the family being a person with disabilities.

- The value of any Coverdell education savings account under Section 530 of the Internal Revenue Code, the value of any qualified tuition program under Section 529 of the Internal Revenue Code, and the amounts in, contributions to, and distributions from an Achieving a Better Life Experience (ABLE) account under Section 529A of such code.
- The value of any “baby bond” account created, authorized, or funded by the federal, state, or local government (money held in a trust by the government for children until they are adults)
- Interests in Indian trust land
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982
- Family Self-Sufficiency accounts
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family
- The full amount of assets held in an irrevocable trust
- The full amount of assets held in a revocable trust where a member of the household is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the household

Subtraction of Federal Tax Refunds or Refundable Tax Credits

Amounts received in the form of a federal tax refund or refundable tax credit are excluded from net family assets.

If a tax refund was received during the previous 12-month period preceding the effective date of certification, then the amount of the refund must be subtracted from the total value of net family assets.

Asset Income

1. Actual Income from Assets

The income generated by an asset, such as interest or dividend payments. Actual income from assets is always included in annual income, regardless of whether the asset itself is included or excluded from net family assets, unless the income is specifically excluded.

Example: Household has a \$20,000 savings account with a 2% interest rate. The household has no other assets.

- *Total value of assets is \$20,000*
- *Net family assets = \$0 (the total value of assets is less than \$50,000 so net family assets is considered \$0)*
- *Actual asset income from the savings account is \$400 (2% interest x \$20,000 balance) even though the net family assets is \$0*

2. Imputed Income from Assets

Imputed income must be calculated for specific assets (not all assets) when three conditions are met:

- The value of net family assets exceeds \$50,000 (adjusted by inflation)
- The specific asset is not specifically excluded; and

- Actual asset income cannot be calculated for that specific asset. When actual income for an asset can be calculated (even if calculated as \$0), imputed income is not calculated for that asset.

If actual income from asset can be computed for some assets but not all, the owner agent must add up the actual income from assets for those assets where actual income can be calculated and then calculate imputed income just for those assets where actual income cannot be calculated.

Imputed income is calculated using the passbook rate.

- Prior to 2/1/15, the passbook rate was 2.00%
- From 2/1/15 through 12/31/23, the passbook rate was 0.06%
- For 2024, the passbook rate is 0.40%
- For 2025, the passbook rate is 0.45%
- HUD will calculate a new passbook rate each July

7.7 Calculation of Adjusted Income

For purposes of determining tenant-paid rent, IHCDA requires recipients to deduct from annual income any of five mandatory deductions for which a household qualifies. The resulting amount is the household's adjusted income. Mandatory deductions are found in 24 CFR 5.611. Adjusted income is only used for determining the tenant's rent portion, not for determining income eligibility at recertification.

- (1) \$480 for each dependent;
- (2) \$400 for any elderly household or disabled household;
- (3) Unreimbursed medical expenses, to the extent the sum exceeds 3% of annual income;
- (4) Disability assistance deduction; and
- (5) Any reasonable childcare expenses necessary to enable a member of the household to be employed or to further his or her education.

Dependent Deduction

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. Dependent is defined as any household member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

Elderly or Disabled Household Deduction

A single deduction of \$400 is taken for any elderly or disabled household [24 CFR 5.611(a)(2)]. An elderly household is a household whose head, spouse, co-head, or sole member is 62 years of age or older, and a disabled household is a household whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

Medical Expense Deduction [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed 3% of annual income. The medical expense deduction is

permitted only for households in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a household is eligible for a medical expense deduction, the medical expenses of all household members are counted [VG, p. 28]. Definition of Medical Expenses HUD regulations define medical expenses at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.” The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses.

Disability Assistance Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled household member may be deducted if they:

- (1) are necessary to enable a household member 18 years or older to work,
- (2) are not paid to a household member or reimbursed by an outside source,
- (3) in combination with any medical expenses, exceed three percent of annual income, and
- (4) do not exceed the earned income received by the household member who is enabled to work.

Childcare Expense Deduction

HUD defines childcare expenses at 24 CFR 5.603(b) as “amounts anticipated to be paid by the household for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.” Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in a participant’s household [VG, p. 26]. However, childcare expenses for foster children that are living in the participant’s household are included when determining the household’s childcare expenses [HCV GB, p. 5-29].

Anticipating Expenses

Generally, recipients will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), recipients will estimate costs based on historic data and known future costs. If a household has an accumulated debt for medical or disability assistance expenses, recipients will include as an eligible expense the portion of the debt that the household expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. Recipients may require the household to provide documentation of payments made in the preceding year. If at the time of initial certification or reexamination, the household reports that they are eligible for a Medicare or Medicaid spend-down, recipients must determine if the spend-down cap was reached within the last 90 days. If yes, and the spend-down is expected to continue, then the spend-down cap will be used as the household’s projected monthly medical expense. If no, then the actual anticipated medical expense will be used if the medical expenses are expected to continue.

Section 8: Housing Selection and Occupancy Standards

8.1 Unit Selection

The recipient must maximize housing choice when working with households to identify housing opportunities, and households must be free to select the unit of their choice. Recipients must assist the program participant/household in locating housing but cannot require a household to live in a particular apartment complex, project, building, or unit. Households may choose to rent units owned by the recipient, so long as the recipient does not require households to do so and provides household with other available options. The recipient must consider the long-term affordability of housing for the tenant when assisting the tenant in selecting available units.

Rental assistance provided by the Program must be tenant-based, meaning the assistance is tied to the client rather than a specific unit or project. Participants must be permitted to move out of the unit at the end of the lease term and transfer their assistance to another eligible unit of their choosing.

8.2 Housing Quality Inspections

IHCDA will adopt the National Standards for the Physical Inspection of Real Estate (NSPIRE) quality standards and inspection protocol for the Program.

All recipients will be required to conduct an NSPIRE inspection of the unit before allowing the beneficiary to move in. For households receiving one-time security deposit assistance, a unit inspection is required only at the time that assistance is provided. Recipients must utilize the NSPIRE HCV/PBV Inspection Checklist ([form here](#)) to determine whether the unit passes or fails NSPIRE Standards. The recipient must retain a copy of the form in the participant file.

Recipients may not perform NSPIRE inspections on units they own, or any unit for which the recipient has a financial interest. If a participant chooses to rent a unit owned by the recipient, the recipient should contact IHCDA for further guidance.

Upon request, IHCDA will provide additional guidance to recipients on how to conduct an NSPIRE inspection.

If a unit fails inspection, the inspection form will contain comments detailing the areas that failed to meet NSPIRE standards and will prescribe the necessary repairs needed to pass inspection. If the landlord is willing to repair the items listed, they will need to submit an affidavit detailing all the repairs that were completed. The owner is responsible for completing all repairs and the recipient must re-inspect the unit and verify completion. The affidavit is available on the Housing First web page and must be maintained in tenant files along with the Inspection forms.

NSPIRE Affirmative Habitability Requirements

NSPIRE requires the following minimum Affirmative Habitability Requirements.

Inspectable Area- Unit: the interior components of an individual dwelling where the resident lives

1. Hot and cold running water in both bathroom and kitchen, including adequate source of safe drinking water in the bathroom and kitchen
2. Bathroom or sanitary facility that is in proper operating condition and usable in privacy that contains a sink, a bathtub or shower, and flushable toilet
3. At least 1 battery-operated or hard-wired smoke detector in proper working condition:
 - a. On each level of the unit
 - b. Inside each bedroom
 - c. Within 21' of any door to a bedroom measured along a path of travel; and
 - d. Where a smoke detector installed outside a bedroom is separated from an adjacent area by a door, must also be installed on the living area side of the door

If the unit is occupied by a hearing-impaired person, the smoke detectors must have an alarm system designed for hearing-impaired persons.

4. Living room and kitchen area with a sink, cooking appliance, refrigerator, food preparation area, and food storage area
5. For units with Housing Choice Vouchers or Project Based Vouchers, at least one bedroom or living/sleeping room for each two persons in the household
6. Must meet carbon monoxide detection standards established through Federal Register notice and the NSPIRE standard, if applicable
7. Two working outlets or one working outlet and a permanent light within all habitable rooms
8. Outlets within 6' of a water source must be GFCI protected*
9. Must contain a permanently installed heating source. Units may not contain unvented space heaters that burn gas, oil, or kerosene.
10. Must have a guardrail when there is an elevated working surface drop off of 30' or more measured vertically
11. Permanently mounted light fixture in the kitchen and each bathroom

Inspectable Area- Inside: the common areas and the building systems within the building interior that are not inside a unit

1. At least one battery-operated or hard-wired smoke detector in proper working condition on each level
2. Must meet carbon monoxide detection standards established through Federal Register notice and the NSPIRE standard, if applicable
3. Outlets within 6' of a water source must be GFCI protected*
4. Must have a guardrail when there is an elevated walking surface drop off of 30" or more measured vertically
5. Permanently mounted light fixtures in any kitchens and each bathroom
6. May not contain unvented space heaters that burn gas, oil, or kerosene

Inspectable Area- Outside: the building site, building exterior components, and any building systems located outside of the building

1. All outside outlets must be GFCI protected

2. Must have a guardrail when there is an elevated walking surface drop off of 30” or more measured vertically

* The requirement that all interior outlets within 6’ of a water source must be GFCI protected does not apply in the following circumstances:

- The requirement does not apply to an outlet dedicated to a major appliance (e.g., water heater, HVAC, refrigerator, washing machine, dishwasher, garbage disposal, appliance that is wall-mounted or installed within a cabinet, etc. A “dedicated outlet” is a receptacle outlet that is only capable of serving that specific appliance.
- The requirement does not apply to an outlet below a countertop and within an enclosed cabinet, regardless of its distance from the water source.

Smoke Alarm Placement Requirements

Smoke alarms must be installed in all areas listed in the affirmative habitability requirements. The following placement requirements must be met.

- If mounted on the ceiling, smoke alarm must be greater than 4 inches from the wall
- If mounted on the wall, the top edge of the smoke alarm cannot be closer than 4 inches or greater than 12 inches from the ceiling

CO Detector Placement Requirements

CO detectors are only required if required by NFPA 72 or NSPIRE standards, for example, if a unit (1) contains a fuel-burning appliance or fuel-burning fireplace, (2) has adjacent spaces from which byproducts of combustion gas can flow, or (3) is located one story or less above or below an attached private garage that does not have natural ventilation or is enclosed and does not have a ventilation system for vehicle exhaust. See [HUD’s NSPIRE carbon monoxide alarm standard](#).

8.3 Occupancy Standards

Recipients must follow any HUD and/or local occupancy standards that specify the number of bedrooms needed by households of various sizes and composition.

Eligible unit size: The occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible.

- When the household is selected for the Program, the recipient should counsel the household about the unit size for which the household is eligible.
- If the tenant selects a unit that is larger or smaller than the eligible unit size, the recipient should explain the impact of this choice on the tenant’s payment and request approval from IHCDA, if the tenant still wants that unit. For example, if the tenant is approved for a 2-bedroom unit and locates a 3-bedroom unit, the amount of assistance would be based on the 2-bedroom standard, unless the cost of the unit is reasonable for a 2-bedroom unit.
- The subrecipient is responsible for explaining during the application process that no individuals whose names are not on the lease can live in Program-assisted units.

HUD Occupancy Standards

The number of bedrooms appropriate to the household size is established by the following chart:

Subsidy Standards			NSPIRE Standards	
Unit Size	Min. No. Persons in the Household	Max. No. of Persons in the Household	Unit Size	Max Occupancy (Counting Living Room as sleeping area)
0-BR	1	1	0-BR	1
1-BR	1	2	1-BR	4
2-BR	2	4	2-BR	6
3-BR	4	6	3-BR	8
4-BR	6	8	4-BR	10
5-BR	8	10	5-BR	12
6-BR	10	12	6-BR	14

Any room that is a sleeping room must have windows/sliding doors. Living rooms can be used as a bedroom for no more than two people if the room has a window/sliding door. When the participant chooses to use a living room as a bedroom, it must meet NSPIRE as a bedroom, as well as comply with any applicable state or local codes. That is, there must be a window, either two electrical outlets or a single outlet and an overhead fixture, and a heat source (direct or indirect).

If a basement sleeping room is proposed, it must also meet the NSPIRE rules as a bedroom. In addition, a basement room must have an adequate means of egress. This is defined as either a door that leads directly to outside, or an operable window that is at least 2 ft. x 3 ft. and no higher than 42 inches off basement floor.

Section 9: Monthly Reporting and Claims Submission

9.1 Monthly Reports

Recipients must submit a monthly report identifying all households served and funds expended per grant. Recipients are expected to submit one report per grant if currently operating more than one grant. The monthly report must be submitted via email to the Supportive Housing Analyst by the 15th of each month with the required information about the previous calendar month. The recipient must submit all reports as requested by IHCDA to remain in compliance.

9.2 Claims Submission Process

Funds are disbursed on a reimbursement basis through claims submitted to IHCDAOnline at <https://online.ihcda.in.gov/>. Recipients must submit claims to IHCDA at least once per month. For information on how to submit a claim and the required documentation, refer to the [Partner's Guide to IHCDAOnline](#). Questions regarding the claims process and access to the system should be submitted to claims@ihcda.in.gov. If the question is on eligible activities, please contact the Housing First Program Analyst.

Required claim documentation:

- Signed Claim Receipt Page(s)-signed by authorized signatory (IHCDAOnline)
- Claim Summary Pages (IHCDAOnline)
- Other Support Documentation including:
 - General Ledger
 - Invoices/receipts (showing date paid)
 - Financial Narrative Reimbursement Form (provided by IHCDA)

Section 10: Ongoing Monitoring and Compliance

10.1 Homeless Management Information System

The Homeless Management Information System (“HMIS”) is a secure, electronic data collection system used to determine the nature and extent of homelessness. Data regarding all homeless individuals assisted with the Program’s grant funds must be entered into either the Indiana Balance of State or the Indianapolis HMIS. IHCD will determine the HMIS that the recipient must use based on the geographic location of the project.

The recipient is required to enter participant data at intake and upon discharge of the program at a minimum. The recipient is encouraged to utilize the other features of HMIS such as case notes, service tracking, and reporting functions. The data required for entry into HMIS includes at least the following data elements: Name, Social Security Number, Date of Birth, Race, Ethnicity, Gender, Veteran Status, Disabling Condition, Health Insurance at Entry and Exit, Residence Prior to Entry, Zip Code, Length of Stay at Previous Residence, Housing Move-in Date, and Exit Destination. The recipient agrees to collect any other data elements as IHCD directs. For HMIS assistance or to get registered to use the system, please contact the HMIS Help Desk at: hmishelpdesk@ihcd.in.gov.

To request a waiver to this policy, please contact the Supportive Housing Analyst.

10.2 Record-Keeping

The following records must be retained for each household served by the Housing First Program for at least three years after the period of assistance terminates:

- Application or copy of referral, as applicable
- Notice of program admittance/denial to applicants
- Eligibility determination documentation, including but not limited to:
 - IHCD Housing Crisis Verification Form and supporting documentation
 - Third-party verification that at least one member of the household has an eligible diagnosis (detailed medical records about the specific disability should not be retained in the client file)
- Income verification forms:
 - Income & Asset documentation
 - Zero Income Certification (if applicable)
 - Income and Rent Calculation Form and Documentation of method of rent contribution
 - Tenant Income Certification (TIC) form (38A Form)
- Request for Unit Approval (IHCD Form)
- Rent Reasonableness determination for the selected unit
- NSPIRE HCV/PBV Inspection Checklist ([form here](#))
- Lead Based Paint Inspection Report, if applicable
- Leasing documents, including but not limited to:
 - Lease
 - Rental Assistance Payment Contracts

- Lease Renewals, etc.
- Critical Time Intervention Documentation, including, at minimum:
 - Phase Plan
 - Closing Note

10.3 Client Feedback Form

Recipients are required to design a participant feedback form which must be given to households upon exit from the program and/or at the end of the grant period. The form must ask questions related to the client's experience and satisfaction with the Housing First Program administered by the recipient and must provide the option for feedback to be provided anonymously. Recipients are encouraged to collect qualitative and quantitative data and should have policies for using client feedback to make improvements to the program.

10.4 Close-Out Reports

A final close out report must be submitted to IHCDA within 30 days after the award expires. IHCDA will provide a form on which recipients will record information regarding their award performance. Recipients will be required to attach a copy of the client feedback form used to collect data about participants' experience in the Housing First Program, as described in the RFQ. All reports must be submitted as requested by IHCDA for the recipient to remain eligible for future Housing First funds.

10.5 Budget Modifications

Budget modifications that move funds set aside for one type of eligible cost to another eligible cost are permitted. Line-item budget modifications within one larger category, such as supportive services, can happen whenever the recipient chooses and does not require IHCDA's permission. However, when moving funds from one of the overall budget categories to another (rental assistance, administration, supportive services), written permission from IHCDA is required. While recipients may re-allocate funds from supportive services and administrative budgets to the rental assistance budget, the rental assistance budget may never be decreased from the 60% minimum threshold described by this manual. The budget modification request form and instructions for uploading the form to <https://online.ihcda.in.gov/> are available online and may also be obtained from the Supportive Housing Analyst.

10.6 Re-allocation Policy

Unclaimed Funds: Funds that were allocated to a specific recipient or allocated to IHCDA's administrative costs that were not claimed by the recipient during the grant year or were leftover in the administrative category and not used by IHCDA.

Grant Cycle: Thirty months from the award date.

Recipients of Program funds are expected to expend funds in a timely manner. Target benchmarks for expenditures will be defined within the Award Agreement. At any point during a grant cycle

IHCDA may require recipients who are behind on the benchmarks defined in their award agreements to provide a spend-down plan for unclaimed funds remaining on their Housing First award. Spend-down plans must be completed on a standard form provided by IHCDA and must include information on anticipated monthly expenditures for housing costs, supportive services costs, and administrative costs. IHCDA will review all submitted spend-down plans to verify that planned expenditures are reasonable when compared to the recipient's claims history and proposed goals for number of households served.

If a recipient's spend-down plan is determined by IHCDA to be insufficient to expend the total award amount within the term of the award agreement, IHCDA may offer the organization a 3-month extension to their award period and/or may de-allocate the portion of the award that is not expected to be spent. If a recipient fails to provide a spend-down plan when requested, IHCDA will review the organization's claim history to determine if they are on track to expend their full award amount. Recipients who do not submit the required spend-down plan when requested are not eligible for an award extension but may have a portion of their award de-allocated. IHCDA will notify recipients of any award de-allocation via email with a letter stating the amount by which the award has been reduced. If IHCDA chooses to allow a grant extension, organizations will be notified via email with a letter stating the new grant end date and benchmarks that must be met during the extended time.

Housing First funds de-allocated through this process may be added to the total available award amount under the next Housing First Request for Qualification or may be allocated to another recipient(s) with Housing First award(s) who have met award benchmarks. Such re-allocations will follow this policy and will be approved by IHCDA's Executive Team through delegated authority.

Section 11: Federal Requirements

11.1 Lead-Based Paint

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, J, k, M, and R apply to this Program. Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero-bedroom dwellings. Accordingly, landlords must cooperate with Program recipients to ensure the following steps are being taken:

1. For every unit:
 - a. Providing all prospective families with the booklet entitled, “Protect Your Family from Lead in Your Home”,
 - b. Lead-Based Paint Exemption form is completed,
 - c. NSPIRE inspection is performed,
 - d. Inspector uses Form HUD-52580, and
 - e. Inspection must attend HUD Visual Assessment training at the following link: <https://apps.hud.gov/offices/lead/training/visualassessment/h00101.htm> and certificate of completion submitted to IHCDA.
2. If child under six is in unit and unit was built prior to 1978 (additional items):
 - a. Disclosure of known lead-based paint hazards to prospective tenants before the lease is signed, Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards (LBP Disclosure Form) is completed,
 - b. The Program recipient and landlord must execute an “Agreement for Ongoing Maintenance Activities related to Lead-Based Paint Requirements”, drafted by IHCDA,
 - c. Visual assessment for deteriorated paint is performed,
 - d. Deteriorated painted surfaces is stabilized and hazard reduction activities are performed,
 - e. Tenants are notified each time such an activity is performed,
 - f. All work is conducted in accordance with HUD safe practices,
 - g. Records are maintained concerning paint stabilization and before re-occupancy,
 - h. Clearance examinations are performed after paint stabilization and before re-occupancy,
 - i. Ongoing lead-based paint maintenance is performed,
 - j. If the Program recipient is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six years of age, has been identified as having an elevated blood lead level (“EBLL”), the recipient must complete an environment investigation of the dwelling unit. The environmental investigation must be completed in accordance with Program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner,

- k. Records are maintained concerning a child with an EBLL in a covered unit,
- l. Reevaluation shall be conducted and the recipient shall conduct interim controls of lead-based paint hazards found in the reevaluations.
- m. As part of ongoing maintenance asking each household to report deteriorated paint.

11.2 Fair Housing

The recipient, owner, or agents of the owner shall not discriminate in participant selection or the provision of housing on the basis of race, color, sex (including gender, gender identity, and sexual orientation), national origin, religion, familial status, or disability (the seven protected classes under the Fair Housing Act) or ancestry (an additional protected class under the Indiana Fair Housing Act). Nondiscrimination means that owners cannot refuse to rent a unit, provide different selection criteria, fail to allow reasonable accommodations or modifications, evict, or otherwise treat a tenant or applicant in a discriminatory way based solely on that person’s inclusion in a protected class. Owners may not engage in steering, segregation, false denial of availability, denial of access to services or amenities, discriminatory advertising, or retaliation against individuals that make fair housing complaints.

Required Actions

All recipients should be familiar with both state and federal civil rights and fair housing laws. IHCD strongly encourages recipients to provide Fair Housing and Equal Opportunity training for all staff, including maintenance staff, associated with any property. Staff should attend a Fair Housing and Equal Opportunity training at least once every calendar year.

All participant selection plans must acknowledge that the program follows the Fair Housing Act’s nondiscrimination requirements. In addition, all participant-signed forms must include the Fair Housing/Equal Housing Opportunity and Accessibility logos below.



See Chapter 10 of [IHCD’s HOME, CDBG and HTF Manual](#) for more information on Fair Housing, Equal Opportunity, Non-Discrimination and Equal Access.

Exhibit A: Federally Mandated Exclusions from Income

The following updated list of Federally mandated income exclusions supersedes the notice published in the **Federal Register** on May 20, 2014. The exclusions listed below apply to income only, except where HUD states that the exclusion also applies to assets. Actual income earned from an excluded asset may be included in income if it is not deposited into an account that is disregarded and excluded under one of the below authorities. If an amount is in an excluded account, like an Independent Development Account or an ABLE account, then the statute or the regulations associated with that income/ asset exclusion will dictate what portion of the income earned off the amount, if any, is to be included in the family's income. Please note that exclusions (13) and (23) have provisions that apply only to specific HUD programs):

- (1) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b)). This exclusion also applies to assets;
- (2) Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C. 5058), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 *et seq.*) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This exclusion also applies to assets;
- (3) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)). This exclusion also applies to assets;
- (4) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506). This exclusion also applies to assets;
- (5) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)). This exclusion also applies to assets;
- (6) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6). This exclusion also applies to assets;
- (7) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This

exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408). This exclusion also applies to assets;

- (8) Amounts of student financial assistance funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327) (as amended)
- (9) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056g);
- (10) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101–201) or any other fund established pursuant to the settlement in *In Re Agent Orange Product Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets;
- (11) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96–420 section 9(c)). This exclusion also applies to assets;
- (12) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- (13) Earned income tax credit (EITC) refund payments⁴ received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l)). This exclusion also applies to assets;
- (14) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);
- (15) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (Pub. L. 95–433 section 2). This exclusion also applies to assets;

⁴ *Please note:* While this income exclusion addresses EITC refund payments for certain HUD programs, the exclusion in 26 U.S.C. 6409 excludes Federal tax refunds more broadly for any Federal program or under any State or local program financed in whole or in part with Federal fund.

- (16) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
- (17) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811– 16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821–22) is excluded from income and assets (38 U.S.C. 1833(c)).
- (18) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)). This exclusion also applies to assets;
- (19) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2));
- (20) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets;
- (21) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101–503 section 8(b)). This exclusion also applies to assets;
- (22) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. 1437a(b)(4));
- (23) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self- Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*);
- (24) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111–291 section 101(f)(2)). This exclusion also applies to assets;

- (25) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4));
- (26) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013– 1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);
- (27) Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93– 288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets;
- (28) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and
- (29) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021 (Pub. L. 117–2, section 3201). This exclusion also applies to assets.