REHABILIATION LOAN PROGRAM
Income Eligibility Calculation Worksheet
Medical Deduction*

INSTRUCTIONS: This is a required form when determining Rehabilitation Loan Program Gross Annual Projected Household Income. Print and include in the Rehabilitation Loan Program file to MN Housing.

Income Types	**A**	**B**	**C**	**D**	**E**
Household Member Name	Name	Name	Name	Name	Name
Wages, salaries, tips, bonuses before withholding of household members 18 years or older	$	$	$	$	$
Variable Income	$	$	$	$	$
Business Income	$	$	$	$	$
Retirement & Insurance Income	$	$	$	$	$
Actual Interest & Dividend Income	$	$	$	$	$
Imputed Income from Assets	$	$	$	$	$
Unemployment & Disability Income	$	$	$	$	$
Welfare Assistance	$	$	$	$	$
Alimony, Child Support & Gift Income	$	$	$	$	$
Other	$	$	$	$	$
Subtotal	**$** 0.00	**$** 0.00	**$** 0.00	**$** 0.00	**$** 0.00

Total of All Income Types/Household Members (Add subtotals of A-E and any additional Household Members) **Must be at or below 80% of Area Median by Household Size**	**$ 0.00**
Subtract Deductible Medical Expenses (from Page 6)	**$ 0.00**
Adjusted Eligibility Income **Must be at or below 30% of Twin Cities Area Median by Household Size**	**$ 0.00**

Include:

- All Adult Residents (18+)
- Based on household's expected ability to pay, not their past earnings
- Unearned Income From Minors
- These required calculations are in accordance with 24 CFR 5.609

Employment/Business Income

Type	Key Items to Address	Documentation
Income from Wages, Salaries, Tips, etc.	• The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.	Verification provided to include rate of pay; number of pay periods; and year-to-date income amount: • At least three months of current paycheck stubs • A documented telephone call to the employer • A Verification of Employment form completed by the employer • Previous two years W-2 forms
Variable Income: Income that varies considerably monthly, Seasonal workers	• Base the amount on an average of the prior year's figures or average amounts awarded to other employees with the same status. The most recent federal income tax return may also be used for this purpose. • Always use an average for overtime (unless employer and income history verifies OT was for one-time, special project, etc.) commissions, part-time income, bonuses, shift differentials, sick pay and holiday pay.	• Previous year's W-2 forms; or • A Verification of Employment form completed by the employer
Business Income	• The net income from the operation of a business or profession. • Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. • An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. • Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.	Sole Proprietorship or Farm Operation: • Schedule C – for a proprietorship • Form 8829 – if Borrower operates the business out of the home • Schedule F – for a farm operation Partnership: • Schedule E • Form 1065 K-1 • US Partnership Return of Income Form 1065 S-Corporation: • Schedule E • Form 1120S K-1 • W-2 or 1099 Form • US Small Business Income Tax Return Form 1120S

Retirement & Insurance Income	• The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts).	• Current or recent check stubs with date and amount • Award letters or computer printout from agency • Copies of validated bank deposit slips with identification by bank • Most recent quarterly retirement account statement
Actual Income from Assets	• Interest, dividends, and other net income of any kind from real or personal property. • Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. • An allowance for depreciation is permitted only as straight line depreciation as provided by Internal Revenue Service regulation. **NOTE:** Any withdrawal of cash or assets from an investment will be included as income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family.	• Current statements, bank passbooks, certificates of deposit if they show the current rate of interest • 1099 Forms; or • Broker's quarterly statement showing value of stocks/bonds and earnings credited to the applicant • Call Minnesota Housing Rehabilitation Loan Program coordinator for current Passbook Rate 800-710-8871 • Previous two years W-2 forms • Must accurately project income over next 12 months

Imputed Income from Assets	• If the household has net assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net assets or the imputed income, which is a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
	• Calculate 2% (current passbook rate) of the value of all assets, including, but not limited to:
	  • Cash held in Checking or savings accounts;
	  • Cash value of stocks, bonds;
	  • Individual retirement, pension 401 (K), and Keogh accounts;
	For more detailed guidance on income from asset calculation, see Exhibit 3.8 on page 30 of the
	Part 5 Income Determination Guide
		• Current bank statements, bank passbooks, certificates of deposit
		• Federal Tax form 1040
		• Broker's quarterly statement showing value of stocks/bonds
		• Most recent quarterly retirement account statements
		• Award letter for lump sum or one-time receipt payments

Unemployment & Disability Income	• Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay	• Current copies of checks or records from agency stating payment amounts and dates • Benefit notification letter signed by authorizing agency • Award letters or computer printout from court or public agency • Copies of validated bank deposit slips

Welfare Assistance	• Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income, if the income:
	  • Qualifies as assistance under the TANF program definition at 45 CFR 260.31; and
	  • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).
	If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
	  • The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
	  • The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
		• Documented telephone call to county social service agency; and
		• Cancelled checks/bank statements
		• Computer generated print outs from the disbursing agency

Alimony, Child Support, & Gift Income	• Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling • Use average of actual support received. • If support is scheduled to stop during next 12 months (i.e. child is 17+ years old), use amount of support through scheduled expiration and average over 12 months	• Divorce Decree/Child Support Agreement; or • Documented telephone call to county social service agency; and • Cancelled checks/bank statements
Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in Income Exclusions)	Copies of paycheck stubs

Other Income

Other Household Income	Always include other sources of income not specifically excluded.

Exclusions

- Income no longer available
  - ✓ Borrowers can't manipulate income (quit job, etc.) to become eligible
- Earned Income of children (including foster children) under the age of 18
- Foster care income
- Allotment provided to an eligible household under the Food stamp Act of 1977
- Inheritance and Insurance income – lump sum additions to family assets
- Medical expense reimbursements for any family member
- Income of a live-in aide (as defined in 24 CFR 5.403).
- Student financial aid – the full amount of student financial assistance paid directly to the student or to the educational institution
- Armed Forces Hostile Fire Pay – special pay to a family member serving in the Armed Forces who is exposed to hostile fire
- Self-sufficiency Program Income – amounts received under training programs funded by HUD
- Gifts – temporary, nonrecurring, or sporadic income
- Reparations – paid by a foreign government
- Income in excess of $480 for each full-time student 18 years or older (excluding the head of household or spouse)
- Adoption assistance payments – payments in excess of $480 per adopted child can be excluded
- Social Security & SSI Income – deferred periodic amounts from SSI and Social Security benefits received in a lump sum amount or in prospective monthly amounts
- Property Tax Refunds – amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit
- Home Care Assistance – amounts paid by a state agency to a family member who has a developmental disability and is living at home to offset the cost of services and equipment
- Other Federal Exclusions as determined in 24 CFR 5.609(c)

Deductions from Income

Type	Key Items to Address	Documentation
Extraordinary Medical Expenses	Ongoing Medical Expenses	100% of expenses anticipated for the next 12 months including: • Doctor, clinic, hospital, nursing home, home care services and pharmacy expenses not covered by insurance. • Pharmacy expenses for clearly identified prescription medications, dressings, etc. • Transportation or mileage expenses (IRS rate) for medical treatment. • Medical insurance premiums paid by Borrower –Copy of the premium notice or statement from the insurance company • Replacement of medical equipment paid by Borrower – Copy of expense information from the equipment supplier
Extraordinary Medical Expenses	Outstanding Past Medical Expenses	Past medical expenses, not covered by insurance – use the higher of: • 20% of the unpaid portion of large medical bills, such as for major surgery, or • 100% of the amount to be paid in the next 12 months under an approved payment plan on an outstanding expense.

Item	***Amount***	
Ongoing Medical Expenses	$ **0.00**	
Outstanding Past Medical Expenses	$ **0.00**	
Total Medical Expenses	$ **0.00**	
Subtract 3% of Gross Household Income (Enter as a negative number)	$ **0.00**	
Deductible Medical Expenses Allowed	$ **0.00**	If Deductible Medical Expenses Allowed is less than **0** no deduction is allowed.