



**City of Inglewood**  
**Neighborhood Stabilization Program**  
**Homebuyer Assistance Program**  
**Guidelines**

**Serving the Areas of:**  
**Inglewood, California**  
**and**  
**Hawthorne, California**



**CITY OF INGLEWOOD  
NEIGHBORHOOD STABILIZATION PROGRAM  
HOMEBUYER PROGRAM GUIDELINES**

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## **HOMEBUYER PROGRAM GUIDELINES**

### **1.0. GENERAL**

The City of Inglewood has entered into a contractual relationship with the State of California Department of Housing and Community Development (“HCD”) to administer a First Time Homebuyer program under the Neighborhood Stabilization Program (NSP). The City of Inglewood has received NSP grant funds in the amount of \$1,371,168 HCD to purchase foreclosed and abandoned single-family dwellings for rehabilitation and re-sale to eligible First-Time Homebuyers in order to stabilize neighborhoods and to decrease the decline of house values of neighboring homes.

The City of Inglewood is the Lead Agency in compliance with an executed Joint Powers Agreement with the City of Hawthorne, California. The homebuyer program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing four single-family homes, also referred to herein as “housing units”, three located within the City of Inglewood and one located within the City of Hawthorne. The Program’s eligible area is described in Section 2.1. The Program will provide this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of the affordable housing units that will be occupied by the homebuyers as the primary residence. The Program will be administered by a “Program Operator” designated by the Mayor and Council Members under contract.

The City of Inglewood will take Second Trust Deeds on the homes for the monetary value between the market price and the actual sales price for each home. The Second Trust Deed shall ensure that the purchasers do not encumber the built-in equity and potentially lose the home, in addition to protecting the City’s investment in the home.

### **1.1. PROGRAM OUTREACH AND MARKETING**

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The City of Inglewood will ensure that all persons, including those qualified individuals with handicaps have access to the Program in accordance with the City’s Affirmative Fair Housing Marketing Plan. (Attachment A)

A. The Fair Housing Lender logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and

- disability) are not being excluded from the Program. Flyers or other outreach materials, in English and Spanish, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies.
- B. The Program Operator must provide homebuyer classes to help educate homebuyers about the home-buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program. Participants must complete a least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to participating in the program. Certificate of completion must be submitted with program applications.
- C. The Program Operator will work closely with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- D. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program City of Inglewood should take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

## **1.2. APPLICATION PROCESS AND SELECTION**

- A. Each applicant will be asked to complete an application form, providing sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Complete applications shall be date and time stamped. Eligible applications are only deemed complete if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications will be returned to the applicant and will not be date/time stamped until complete.
- B. A "Random Selection Process" (lottery) will be implemented as follows:
- Ads will be placed in local publications outlining the availability of the four homes for sale; the eligibility guidelines and the procedures for participation.
  - Participants will be required to secure a pre-approved mortgage loan from an accredited financial lending institution for the amount of the sales price. A pre-approval letter will be required as proof of loan approval.
  - Qualified participants will be required to complete a "Certificate of Eligibility" (COE – attached). Once pre-approved, participants will receive a numerically assigned COE form from the Program Operator, subject to final approval by the City of Inglewood.
  - Program Operator will confirm all information submitted and will notify all eligible participants of their qualifying status and the date

and time of the Random Selection Process.

- For each of the four available homes, the City of Inglewood shall randomly select a COE number from the pool of eligible applicants. At that time, the COE will receive a number in the order each is drawn and the participant/applicant will have the opportunity to purchase the home for which the COE was selected. The process will continue until there all four homes have been sold to eligible, qualified participants.

### **1.3. THE HOME PURCHASE PROCESS**

- A. Homebuyers must obtain a mortgage from a primary lender to purchase a housing unit.
- B. The housing unit selection process will be conducted by the Program Operator. Prior to making an offer to purchase an eligible housing unit homebuyers shall provide the City of Inglewood with a disclosure containing the following provisions:
  - 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
  - 2) Homebuyer must qualify for a mortgage which meets the difference between the estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser, and the discounted sales price;
  - 3) The housing unit has been inspected by the City of Inglewood's Building and Safety Division prior to completion of the sale to ensure compliance with local health and safety standards and local codes at the time of sale.
  - 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and City of Inglewood;
  - 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
  - 6) The homebuyer understands that the housing unit must be owner-occupied as the homebuyer's primary residence;
  - 7) If the City of Inglewood is not provided with a statement of the above six provisions prior to the purchase offer, the homebuyer may be disqualified from the random selection process.
- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. The Program Operator shall submit recommendations to the City of

Inglewood for applicant approval or denial in the random selection process, including the reasons for the recommendation. Program Operator provides written notification to applicant of approval or denial with reason.

- E. At the time of escrow closing, the City of Inglewood shall be named as an additional loss payee on fire, flood, if required, and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit.

#### **1.4. HOMEBUYER COSTS**

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the City of Inglewood. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement.
- B. Homebuyer shall provide a minimum down payment in accordance with the requirements of the primary lender.

#### **1.5. HOMEBUYER EDUCATION**

All Program participants/applicants are required to attend a minimum 8-hour homebuyer education class conducted by a HUD-certified housing counseling agency and must provide a certificate of completion dated within 6 months of applying for participation in the random selection process.

#### **1.6. CONFLICT OF INTEREST REQUIREMENTS**

The following shall be addressed: in accordance with title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the Program shall directly or indirectly be eligible for this Program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body of the locality.

#### **1.7. NON-DISCRIMINATION REQUIREMENTS**

The Program will be implemented in ways consistent with the City of Inglewood's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

#### **2.0 APPLICANT QUALIFICATIONS**

## 2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the Neighborhood Stabilization Program, applicable federal and State programs and have their household income documented. The following income limits in place at the time of loan approval will apply when determining applicant income eligibility. Participants must qualify as Low/Moderate/Middle-Income (LMMI) in accordance with National Objectives and must have incomes at or below 120% of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as published by the United States Department of Housing and Urban Development (HUD) each year.

Los Angeles-Long Beach, CA Metro Area  
FY 2010 Income Limits for 120% of HUD Area Median Income

Household Size	120% of HUD AMI
1 person household	\$ 69,550
2 person household	\$ 79,500
3 person household	\$ 89,400
4 person household	\$ 99,350
5 person household	\$107,300
6 person household	\$115,250
7 person household	\$123,200
8 person household	\$131,150

Source: Neighborhood Stabilization Program Data, <http://www.huduser.org/portal/datasets/NSP.html>

**Household:** means one or more persons who will occupy a housing unit.

**Annual Income:** Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

## 2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published income limits. Income qualification criteria will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION: Household income is the annual gross income of all adult household members that is projected to be received during

the coming 12-month period, and will be used to determine program eligibility. For those types of income counted, gross amounts (before any deductions have been taken) are used; and the types of income that are not considered would be income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income. The link to Annual Income Inclusions and Exclusions is:

<http://www.hud.gov/offices/cpd/affordablehousing/training/calculator/definitions/part5.cfm>

**Attachment B: 24 CFR Part 5 Annual Income Inclusions and Exclusions**

***NOTE: Non-occupant co-signers will not be required to submit income and asset documentation. Co-signers income will not be included in the household income determination. Co-signers are acceptable as long as their names do not appear on the Grant Deed or Deed of Trust.***

- B. ASSETS: There is no asset limitation for participation in the Program with the exception of housing units. Program participants cannot own housing units within the last three years in order to qualify as a "First-Time Homebuyer." Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. (***Note: it is the income earned – e.g. interest on a saving's account – not the asset value, which is counted in annual income.***)

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:

<http://www.hud.gov/offices/cpd/affordablehousing/training/calculator/definitions/treatment/inclusions.cfm> **Attachment C: Part 5 Annual Income Net Family Asset Inclusions and Exclusions**

### 2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

An eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Documentation of homebuyer status will be required for all homebuyers. Program Operator is required to use the following definition of an eligible homebuyer, which is a "first-time homebuyer" from 8201 (k) Title 25 California Code of Regulations: "First-time homebuyer means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a NSP home."

### 3.0. HOUSING UNIT ELIGIBILITY

#### 3.1. LOCATION AND CHARACTERISTICS

A. Housing unit size shall be sufficient to meet the needs of the homebuyer household, without overcrowding. Generally, this means not more than two persons per bedroom or living room.

B. Lead-Based Paint Hazards: The following requirements must be met:

- 1) **Notification**: Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given a copy of and asked to read the EPA pamphlet "*Protect Your family From Lead in Your Home*". (EPA 747-K-94-001, **September 2001**) A signed receipt of the pamphlet will be kept in the City of Inglewood's homebuyer file;
- 2) **Disclosure**: Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure, "Seller's Lead-based Paint Disclosure" notice must be provided to the homebuyer. Additionally, the Program Operator shall complete a '*Lead-Based Visual Assessment, Notice of Presumption, and Hazard Reduction Form*', obtain the homebuyer's signature, and provide the homebuyer with a copy and place the original in the homebuyer file. (Attachment D)

#### 3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families.

#### 3.3. PROPER NOTIFICATION AND DISCLOSURES

A qualified homebuyer must be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer.

#### 4.0. PURCHASE PRICE LIMITS

The sales/purchase price limits for this Program cannot exceed the City's NSP cost to acquire and rehabilitate the home, however, in all cases shall not exceed the market price based on an appraisal conducted by a State-certified appraiser within six months of sale.

#### 5.0. THE PRIMARY LOAN

Prior to participation as an applicant in the random selection process, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan").

#### 5.1. INTEREST RATE

The rate of interest shall be fixed (not an adjustable rate mortgage, ARM) at the current market rate.

## **5.2. LOAN TERM**

The primary loan shall be fully amortized and have a term “all due and payable” in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

## **5.3. IMPOUND ACCOUNT**

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

## **6.0. THE PROGRAM LOAN**

### **6.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE**

The amount of Program assistance to a homebuyer toward purchase of a NSP home shall not exceed the difference between the market value and the actual sales price.

### **6.2. NON-RECURRING CLOSING COSTS**

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs must be paid by the homebuyer and can be included in the down payment.

### **6.3. RATE AND TERMS FOR PROGRAM LOANS**

All Program assistance to individual households shall be made in the form of deferred payment loan. All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan.

## **7.0. PROGRAM LOAN REPAYMENT**

### **7.1. DUE UPON SALE OR TRANSFER**

A. Loans are due upon sale or transfer of title or when borrower no longer occupies the home as his/her principal residence. The loan will be in default if the borrower fails to maintain required insurance or fails to pay property taxes. (Attachment E)

B. Program loans may or may not be assumable according to the NSP program and the loan documents.

### **7.2. LOAN MONITORING PROCEDURES**

City of Inglewood will monitor Borrowers and their housing units to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

## **8.0. PROGRAM LOAN PROCESSING AND APPROVAL**

After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Originals shall be received before the application packet is considered complete. Based on receipt and review of the final documents, the Program Operator will do an income certification. The Primary Lender's approval letter should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant.

### **8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN**

Once the loan approval package has been completed the Program Operator will submit it to the City of Inglewood for approval. City of Inglewood will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow will be set.

### **8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING**

The homebuyer(s) sign all promissory notes, deeds of trust, and statutory lending notices (right of rescission, truth in lending, etcetera); the deeds of trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of notice of default are also recorded with the County Clerk/Recorder.

### **8.3. ESCROW PROCEDURES**

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined only by physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program Operator will instruct the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be

listed as a loss payee and receive an original ALTA).

**ATTACHMENT - B**

**24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS - Inclusions**

This table presents the Part 5 income inclusions as stated in the Code of Federal Regulations.

General Category	Statement from 24 CFR 5.609 paragraph (b) (April 1, 1998)
1. 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.
2. Business Income	Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic payments 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 payment (except as provided in number 14 of Income Exclusions).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance	Welfare Assistance. 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: <ul style="list-style-type: none"> <li>· the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus</li> <li>· the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family</li> </ul>

	welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. 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.
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

**Part 5 exclusions:** This table presents the Part 5 income exclusions as stated in the Code of Federal Regulations.

General Category	Statement from 24 CFR 5.609 paragraph (c) (April 1, 1998)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR5.403).
6. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
7. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8. Self-Sufficiency Program Income	<ul style="list-style-type: none"> <li>a. Amounts received under training programs funded by HUD.</li> <li>b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set side for use under a Plan to Attain Self-Sufficiency (PASS).</li> <li>c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in</li> </ul>

	<p>reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program.</p> <p>d. Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv).</p> <p>e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.</p>
9. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
10. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
11. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
12. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
13. Family Support Act Income	For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the 1937 Act (43 U.S.C. 1437t), or any comparable federal, state or local law during the exclusion period.
14. Social Security & SSI Income	Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. 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.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or

benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including:

- ▶ The value of the allotment made under the Food Stamp Act of 1977;
- ▶ Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- ▶ Payments received under the Alaskan Native Claims Settlement Act;
- ▶ Payments from the disposal of funds of the Grand River Band of Ottawa Indians;
- ▶ Payments from certain submarginal U.S. land held in trust for certain Indian tribes;
- ▶ Payments, rebates or credits received under Federal Low-Income Home Energy Assistance Programs (includes any winter differentials given to the elderly);
- ▶ Payments received under the Main Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 9z Stat. 1785);
- ▶ The first \$2,000 of per capita shares received from judgments awarded by the Indian Claims Commission or the Court of Claims or from funds the Secretary of Interior holds in trust for an Indian tribe;
- ▶ Amounts of scholarships funded under Title IV of the Higher Education act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs, or veterans benefits;
- ▶ Payments received under Title V of the Older Americans Act (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- ▶ Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- ▶ Earned income tax credit;
- ▶ The value of any child care provided or reimbursed under the Child Care and Development Block Grant Act of 1990; and
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment programs, State job training programs and career intern programs).

This table presents the Part 5 asset inclusions and exclusions as stated in the Code of Federal Regulations. Statements from 24 CFR Part 5 - April 1, 1998.

### **Inclusions**

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

### **Exclusions**

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).

7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

**ATTACHMENT - D**

**LEAD-BASED PAINT VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM**

**Section 1: Background Information**

Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

**Section 2: Visual Assessment.** Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.

Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).	

**Section 3: Notice of Presumption.** Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.

Date of Presumption Notice:
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <b>hazards</b> are presumed to be present <input type="checkbox"/>
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.

**Section 4: Notice of Lead-Based Paint Hazard Reduction Activity.** Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.

Date of Hazard Reduction Notice:
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/> Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)

**Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity**

Printed Name:	Signature:	Date:
<b>Section 6: Contact Information</b> Organization:		
Contact Name:	Contact Signature:	
Date:	Address:	Phone: