

BOROUGH OF BELMAR
HOUSING AUTHORITY
710 8th AVENUE
BELMAR, NEW JERSEY 07719

**ADMISSIONS
AND
OCCUPANCY
POLICY**

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INTRODUCTION

This policy was developed and adopted in accordance with the Civil Rights Act of 1964 and the rules and regulations promulgated by the Department of Housing & Urban Development.

This policy outlines HUD regulations and establishes discretionary policies and procedures for use by this Authority.

This policy is intended to promote an environment for lower income families, composed of a broad range of incomes, which is conducive to healthful living and which is based on non-discrimination on the basis of race, color, creed, national origin, age, sex or handicap.

POLICIES, RULES, AND REGULATIONS

Policies and policy changes shall be submitted to the HUD Area Office for review and approval as necessary.

Policies shall be duly adopted by Authority Board of Commissioners Resolution. Copies of policies, rules and regulations shall be posted in project offices and shall be furnished to applicants and tenants on request.

3. RECEIPT AND INITIAL PROCESSING OF APPLICATIONS

- A. The Authority must obtain a written application, signed by a responsible member of the family, which will contain all data and information necessary to enable the Authority to determine whether the family meets the conditions for admission.
- B. All applications will be dated & time stamped.
- C. During periods when application taking is suspended, the Authority will receive inquiries and requests for applications from interested families. The Authority will register the names, addresses and telephone numbers of apparently eligible families. The Authority will make clear to potential applicants that the registration does not establish the date and time of application for the purpose of determining standing on the waiting list.
- D. All Applications prior to determination of eligibility or ineligibility shall be entered on a chronological basis in a master application listing. Such a listing shall be maintained in a bound book and shall at minimum include the applicant's name, date of application, race, sex, family size, elderly or handicapped status, and preference status.

4. CONDITIONS GOVERNING ELIGIBILITY

- A. Eligibility for Admission: This Authority will admit as tenants of low-rent projects elderly family applicants who, at the time of admission meet all of the following requirements:
 1. Who qualify as a family (see definitions, Section 23), and
 2. Whose family income, as defined in Section 23-2 does not exceed the Authority's Income Limits for Admission,

5. VERIFICATION OF INFORMATION

1. All information from each applicant must be verified. Any information relative to the acceptance or rejection of an applicant must be documented and placed in the applicant's file. This may include reports of interviews, letters or telephone conversations with reliable sources. At a minimum, these entered will include the date, the source of the information, including the name and title of the individual contacted and a resume of the information received.

2. Sources of information may include, but are not limited to, the applicant (by means of interview or home visits), landlords, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where necessary.
3. Methods of Verification of Information
 - a. Income Income is the most important factor in determining a family's eligibility for housing and among the most likely to be subject to misrepresentation or error. Consequently, the PHA must establish adequate methods of verifying income (including applicable deductions and exemptions) which may include:
 - (1) Third-party verification through an employer or public agency, or
 - (2) Review of documentation provided by the family such as benefit checks, income tax returns, etc.The PHA's records shall include either copies of the verifying documents or a notation by the PHA employee responsible for their review. PHA's may not copy checks issued by the United States Government.
 - b. Assets Verification of savings and checking accounts from banks and savings and loan institutions, newspaper stock quotations, local government assessed property values, tax returns, etc.
 - c. Family size and Composition The IHA will rely on the declarations of the applicant related to family size, composition, and the relationship among the family members.
 - d. Age of family members Proof of age is necessary when it is the sole factor determining eligibility or minor exemption, otherwise the applicant's declarations may be accepted.
 - e. Displacement status This verification may be obtained from source of displacement project reported.
 - f. Handicap or Disability A physician's certificate verifying the handicap or disability shall be required when it is a factor in determining eligibility and rent. Verification in writing by a hospital, welfare agency, the Social Security Administration, vocational rehabilitation agencies, and similar sources may be acceptable.

6. NOTIFICATION OF APPLICANT

Each applicant determined to be eligible shall be promptly notified by the Housing Authority of such determination and of the approximate date of occupancy. Each applicant determined to be ineligible shall be promptly notified by the Housing Authority in writing of such determination, with the reasons therefore, and of his right, upon his request within a reasonable time, to an informal hearing on the determination in order to make such reply or explanation as he may wish.

Applications found ineligible and/or withdrawn for any reason are removed from the active file permanently. These applicants are not denied the opportunity to file a new application, setting forth a new application number and date in accordance with the date of filing new application.

7. PREFERENCES IN SELECTION OF TENANTS

Tenants will be selected from among eligible applicants for dwellings of given sizes and within such ranges of rent as may be established from time to time to insure the financial solvency and stability of the low-rent housing program. See Authority's Broad Range of Income Plan (Exhibit 2)

The following criteria shall be reasonably related to achieving the basic objective, with a reasonable period of time, of housing tenant families with a broad range of income of low-income families in this Authority's area of operation, as defined in state law, and with rent-paying ability sufficient to achieve financial stability of the project or projects.

In order to achieve these goals, the Authority will:

- 1) Determine the income distribution of all income eligible families in the Authority's jurisdiction.
- 2) Determine the actual income distribution of all tenants.
- 3) Determine the broad range of incomes goals for each Project which would proportionately reflect the distribution of income eligible families in the Authority's jurisdiction.

B. Priorities for Selection

Within the Broad Range of Income Categories, eligible applicants will be selected in accordance with the following priorities.

- Elderly applicants who are present residents of the Borough of Belmar
- Displaced persons
- Veterans
- Disabled Applicants

Families who have more than one priority do not receive additional priority over families with only one priority. Priority applicants shall be selected before non-priority applicants.

Non-residents who are working or have been notified that they are hired to work in the jurisdiction of the Authority must be treated as residents of that jurisdiction.

Selection policies and procedures shall be exercised only to the extent that they do not impede attainment of the objectives of Title VI of the Civil Rights Act of 1964 and the goals related to housing families with a broad range of incomes and shall not automatically deny admission to any particular group or category of otherwise eligible applicants (unwed mothers or families with children born out of wedlock).

8. TENANT SELECTION CRITERIA

The following criteria will be used in selecting families for occupancy beyond the basic conditions governing eligibility:

1. Applicant's past performance in meeting financial obligations, especially rent.
2. History of Recent Serious Criminal Activity - Includes cases in which a member of the family who is expected to reside in the household was or is engaged in prostitution, sale of narcotics, or serious criminal activity.

3. Pattern of Violent Behavior - Includes evidence of repeated acts of violence on the part of an individual, or of a pattern of conduct constituting a danger to peaceful occupation of neighbors.
 4. Confirmed Drug Addition - Includes evidence of confirmed drug addition, such as a record of more than one arrest for possession or use of heroin or other addictive narcotics, or reports from a probation officer, a social agency, or the family itself to the effect that the individual is addicted. In cases where the confirmed addict is under going follow-up treatment by a professional agency after discharge from an institution, the applicant shall not be considered ineligible.
 5. Rape or Sexual Deviation - Includes individuals who have been involved as offenders in rape, indecent exposure, sodomy, carnal abuse and impairing the morals of a minor. Exception is permitted in the case of an individual under 16 years of age when he was involved in such offense and evidence from a reliable source shows that the individual may be considered rehabilitated.
 6. Grossly Insanitary or Hazardous Housekeeping - Includes the creation of a fire hazard through acts such as the hoarding of rags and papers; severe damage to premises and equipment, if it is established that the family is responsible for the condition; seriously affecting neighbors by causing infestation, foul odors, depositing garbage in halls; or serious neglect of the premises. In cases where a qualified agency is working with the family to improve its housekeeping and the agency reports that the family shows potential for improvement, decision as to eligibility shall be reached after review by the Authority. This category does not include families whose housekeeping is found to be superficially unclean or to lack orderliness, where such conditions do not create a problem for neighbors.
 7. Record of Serious Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior - Consists of patterns of behavior which endanger the life, safety or welfare of other persons by physical violence, gross negligence or irresponsibility; which damage the equipment or premises in which the applicant resides; or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicants inability to adapt to living in a multi-family setting. Includes neglect of children which endangers their health, safety or welfare; judicial determination of tenancy in previous housing on the ground of nuisance or objectionable conduct; or alcoholism or frequent loud parties, which have resulted in serious disturbance of neighbors.
- In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects. For example:
1. Evidence of rehabilitation;
 2. Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs and the availability of such programs;
 3. Evidence of the applicant family's willingness to attempt to increase family income and the availability of training or employment programs in the locality.

9. ASSIGNMENT POLICIES

Tenant will be assigned to dwelling units in accordance with Exhibit 3, Plan A to assure equal opportunity and nondiscrimination on the grounds of race, color, sex or national origin and to avoid segregation.

10. RENTS

A. Tenants in occupancy prior to August 1, 1982 shall pay the greatest of (1) 10% of gross income or (2) the appropriate percentage in accordance with the implementation schedule as follows:

October 1, 1983 to September 30, 1984 - 28%
October 1, 1984 to September 30, 1985 - 29%
October 1, 1985 and after 30%

B. Tenants admitted on or after August 1, 1982 shall be charged the greatest of (1) 10% of gross income or (2) 30% of adjusted income or (3) the portion of welfare assistance specifically designated to meet housing costs.

11. OCCUPANCY STANDARDS

The following Standards will determine the number of bedrooms required to accommodate a family of a given size:

<u>Number of Bedrooms</u>	<u>Minimum Persons</u>	<u>Maximum Persons</u>
0	1	1
1	1	2
2	2	4

Dwellings will be so assigned that, except possibly in the case of infants or very young children, it will not be necessary for persons of opposite sex, other than husband and wife, to occupy the same bedroom.

12. TRANSFERS

Transfers will be made without regard to race, color or national origin.

Transfers will be made to alleviate overcrowding and under-utilization of space. A transfer list will be maintained which shall include the date the need for a transfer was evidenced by the Authority, number of persons in the unit and unit size. Due consideration shall be given to the extent and duration of overcrowding the family has experienced.

3. LEASING OF DWELLING UNITS

- A. A Lease Agreement (Exhibit) shall be signed by both husband and wife if applicable, or a responsible member of each family accepted as tenants and by the Executive Director or his designee prior to the family's admission. A copy to be given to the tenant and the original to be retained in the tenant's file.
- B. If a tenant family transfers from one dwelling unit to another, a new lease shall be executed for the dwelling to be occupied.
- C. If, through any cause, a signer of the lease ceases to be a member of the tenant family, the lease is to be voided and a new lease agreement executed and signed by a remaining member of the family who can qualify as a lessee provided such person meets the requirements and provided the family is otherwise eligible for continued occupancy.
- D. During tenure of a Lease Agreement, changes in rent or family composition shall be made in the following manner:
 - 1. Changes in rent may be made by proper notice to the tenant, dated and signed by both tenant and the Authority. Such notices shall become part of the existing lease.
 - 2. Changes in family composition may be related to Tenant Certification or Recertification Forms, whichever is later.

14. REGULAR REEXAMINATIONS

- a. At least once each year or as requested by Management, tenant must furnish such accurate information to Management regarding family composition, employment and family income as may be necessary to make determinations with respect to rent, eligibility and the appropriateness of dwelling size. Such verification may include, but is not limited to, earning reports from employers, certified copies of State and Federal Income Tax Returns of any member of the household, W-2 Forms etc.
- b. Approximately 4 months prior to a resident's reexam date, the Authority will send a notice informing the resident of their date for reexamination and the resident's requirement to supply all necessary documentation for income verification and changes in the family composition on that date.
- c. If the tenant does not provide proof of income or family composition, a notice will be sent to the tenant giving the tenant 10 days to provide the requested information in accordance with the lease. The notice should also inform the tenant that failure to provide the requested information may result in termination of lease.
- d. If the tenant fails to respond within 10 days, a 30 day Notice of Termination of Lease shall be sent to the tenant.
- e. The length of time from date of admission to date of first reexamination may not exceed 12 months according to current Federal regulations. Therefore, in order to fit a new tenant into the established schedule, the first regularly scheduled reexamination may be conducted in a period of less than 12 months.
- e. Each tenant family is to be notified in writing of any changes required in rent or unit occupies and of any misrepresentations or lease violations revealed by the redetermination, and the corrective action to be taken.

15. SPECIAL RE-EXAMINATION OF TENANTS

- A. If it is not possible at the time of admission or regular re-examination of a tenant family to determine annual family income with any reasonable degree of accuracy, a temporary determination of income and rent is to be made and a special re-examination scheduled within 30, 60 or 90 days, depending upon the family's circumstances. The tenant is to be notified in writing of the date of the special re-examination.
- B. If annual family income can reasonably be estimated at the time scheduled, the re-examination is to be completed and actions taken as appropriate. If a reasonable anticipation of annual family income cannot be made, another special re-examination is to be scheduled.

16. ELIGIBILITY FOR CONTINUED OCCUPANCY

- A. In order for a family to be considered eligible for continued occupancy, they must:
 - 1. Qualify as a elderly family (see definition of terms);
 - 2. Have a family income (see definition of terms) which does not exceed the Authority's Income Limits (Exhibit);

B. The Authority will not commence eviction or refuse to renew a lease, based on the income of the family, unless it has identified a unit renting for an amount not exceeding an amount equivalent to that which the family would be required to pay the Authority for rent.

17. INTERIM ADJUSTMENTS OF RENT

Rent shall be adjusted either upward or downward in cases of unanticipated changes in family circumstances. Such changes may include but are not limited to:

- a) Loss or addition of family member
 - b) Commencement or termination of public assistance
 - c) Gain or loss of employment
 - d) Gain or loss of family member qualifying as a full-time student
- Tenants are responsible to notify management of changes in circumstances within 10 days of such occurrence.
- Failure to report changes in family circumstances can result in retroactive charges.
- Decreases in rent will become effective the first of the month after the change is reported. Increases in rent will become effective the first of the second month.
- Interim reexaminations will be conducted as necessary in accordance with changes in program requirements or administrative procedures.

18. NON-RENTAL CHARGES

The Authority shall establish non-rental charges and periodically update such charges as necessary.

- a. Excess Utility Charges - (Exhibit)
- b. Charges for Damages - (Exhibit)

19. RENT COLLECTION POLICY

The Authority shall establish a Rent Collection Policy. (Exhibit)

20. HOUSE RULES

The Authority shall establish reasonable House Rules. (Exhibit)

21. EVICTIONS

- A. Notice of termination to the tenant shall state reasons for the eviction and shall inform the tenant of this right to make such reply as he may wish and of his right to request a hearing in accordance with the Authority's Grievance Procedure (Exhibit)
- B. A written record of every eviction shall be maintained by the Authority and shall contain the following information:
 - 1. Name of tenant and identification of unit occupied.
 - 2. Date of notice to vacate.

3. Specific reason(s) for notice to vacate. For example, if a tenant is being evicted because of undesirable actions, the record should detail the actions which resulted in the determination that eviction should be instituted.
4. Date and method of notifying tenants, with summary of any conferences with tenant, including names of conference participants.
5. Detailed summary of any grievance or appeal processed and resolved pursuant to the Authority's Grievance Procedure.
6. No eviction action shall be instituted nor court costs or legal fees assessed until after the notice period has expired or a Grievance Hearing has been completed.

22. GRIEVANCE PROCEDURES

The Authority Grievance Procedure shall be applicable to all individual disputes which a tenant may have with respect to Authority action or failure to act in accordance with the tenant's lease or Authority regulations which adversely affect the tenant's rights, duties, welfare or status. (Exhibit)

23. DEFINITION OF TERMS

1. ADJUSTED INCOME

Adjusted Income is annual income less:

- a. \$480 for each Dependent,
- b. \$400 for any Elderly Family *SEE DEFINITION of ELDERLY FAMIL*
- c. Medical Expenses in excess of three percent of Annual Income for any Elderly Family
- d. Child Care Expense

2. ANNUAL INCOME

- a. Annual Income is the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the Family, including all net income derived from assets, for the 12 month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, non-recurring or sporadic as defined in paragraph (b) of this definition and exclusive of certain other types of income specified in paragraph (c) of this definition.
- b. Income includes, but is not limited to:
 1. the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services;
 2. the net income from operation of a business or profession (for this purpose, expenditures for business expansion or amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from a business);
 3. interest, dividends, and other net income of any kind from real or personal property (for this purpose expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property). Where the family has Net Family Assets in excess of \$5000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate as determined by HUD;
 4. the full amount of periodic 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 payment for the delayed start of a periodic payment;
 5. payments in lieu of earnings, such as unemployment and disability compensation, worker's compensations and severance pay (but see paragraph (c) (3) of this section);
 6. 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:
 - (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
 - (ii) The maximum amount that the Welfare Assistance agency could in fact allow the Family for shelter and utilities. If the Family's Welfare Assistance is ratably reduced from the standard of need

- by applying a percentage, the amount calculated under this paragraph (b) (6) (ii) shall be the amount resulting from one application of the percentage;
7. periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
 8. all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (c) (5) of this section);
 9. any earned income tax credit to the extent it exceeds income tax liability.
 - c. Annual Income does not include such temporary, non-recurring or sporadic income as the following:
 1. casual, sporadic or irregular gifts;
 2. amounts that are specifically for or in reimbursement of the cost of Medical Expenses;
 3. lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (but see paragraph (b) (5) of this section);
 4. amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans, not used for the above purposes that are available for subsistence are to be included in income; and
 5. the hazardous duty pay to a Family member in the Armed Forces away from home and exposed to hostile fire.
 - d. Income does not include:
 1. income from employment of children (including foster children) under the age of 18 years;
 2. payments received for the care of foster children;
 3. amounts specifically excluded by another Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance program that includes assistance under the 1937 Act. The following types of income are subject to such exclusion:
 - (i) Relocation payments made under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4621-4638);
 - (ii) The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011-2029);
 - (iii) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951-4993);
 - (iv) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
 - (v) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459 (e));
 - (vi) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8621-8629);

(vii) Payments received from the Job Training Partnership Act (29 U.S.C. 1552 (b));

(viii) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-2504);

(ix) The first \$2,000.00 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408), or from funds held in trust for an Indian Tribe by the Secretary of Interior (25 U.S.C. 117).

e. If it is not feasible to anticipate a level of income over a 12 month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period.

3. CHILD CARE EXPENSE

Amounts anticipated to be paid by the Family 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 Family member to be gainfully employed or to further his or her education. The amount deducted shall reflect reasonable charges for child care, and in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

4. DEPENDENT

A member of the Family household (excluding foster children) other than the Family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person or is a Full-time Student.

5. DISABLED PERSON

A person who is disabled as defined in Section 223 of the Social Security Act, or in Section 102(5) of the Developmental Disabilities Services & Facilities Construction Amendment of 1970. (42 U.S.C. 423 and 42 U.S.C. 2691(1) respectively)

Section 223 of the Social Security Act defines disability as:

a. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months;

or

b. In the case of an individual who has reached age 55 and is blind (within the meaning of "Blindness" as defined in Section 416(i)(1) of the title. Inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities equal to those of any gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time.

Section 102(5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970 defines disability as:

.....a disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition of an individual found by the Secretary of Health, Education and Welfare to be closely related to mental retardation or to require treatment similar to that required by mentally retarded individuals, which disability originates before such individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual.

6. DISPLACED FAMILY

A person or family who has been displaced by a governmental action or whose dwelling has been extensively damaged or destroyed as a result of a natural disaster or otherwise formally recognized disaster pursuant to Federal Relief Laws.

7. ELDERLY FAMILY (See attached notes)

A family whose head or spouse (or sole member) is a person who is an Elderly, Disabled or Handicapped Person. It may include two or more Elderly, Disabled or Handicapped Persons living together, or one or more such persons living with another person who is determined to be essential to their care or well being.

8. ELDERLY PERSON

A person who is at least 62 years of age.

9. FAMILY

Family means:

- a. two or more persons sharing residency whose income and resources are available to meet the family's needs and who are either related by blood, marriage, or operation of law, or have evidenced a stable family relationship;
- b. an Elderly Family or Single Person as defined in this section;
- c. the remaining member of a tenant Family, and
- d. a Displaced Person.

10. FULL-TIME STUDENT

A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

11. HANDICAPPED PERSON

A person having a physical or mental impairment that

- a. is expected to be of long-continued and indefinite duration,
- b. substantially impedes his/her ability to live independently, and
- c. is of such a nature that such ability could be improved by more suitable housing conditions.

12. HEAD OF HOUSEHOLD

The family member who is held responsible and accountable for the family.

13. LOWER INCOME FAMILY

A Family whose Annual Income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

14. MEDICAL EXPENSES

Those 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.

15. MONTHLY ADJUSTED INCOME

One twelfth of Adjusted Income.

16. MONTHLY INCOME

One twelfth of Annual Income.

17. NET FAMILY ASSETS

Value of equity in real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and

excluding equity accounts in HUD Homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. (In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the Family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining Annual Income.) The determination of Net Family Assets shall include the value of any assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

18. NONIMMIGRANT STUDENT-ALIENS

An alien who has no intention of abandoning his/her foreign residence, who is admitted temporarily to the United States in order to pursue a course of study at an established institution designated by the alien and approved by the Attorney General. The status of the nonimmigrant student-alien also applies to the alien spouse and minor children of the alien student.

19. PUBLIC HOUSING AGENCY (PHA)

Any State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of housing for lower income families.

20. SERVICEMAN

A person currently in the active military or naval service of the United States.

21. SINGLE PERSON

A person living alone or intending to live alone and who does not qualify as Elderly, Family, or Displaced Person as defined in this section; or the remaining member of a tenant family.

22. TENANT RENT

The amount payable monthly by the Family as rent to the PHA. Where all utilities (except telephone) and other essential housing services are supplied by the PHA, Tenant Rent equals Total Tenant Payment. Where some or all utilities (except telephone) and other essential housing services are not supplied by the PHA and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment less the Utility Allowance.

23. TOTAL TENANT PAYMENT

The monthly amount calculated in accordance with 913.107. Total Tenant Payment shall be the highest of the following, rounded to the nearest dollar:

- a. 30 percent of Monthly Income; or
- b. 10 percent of Monthly Income; or

c. If the Family receives Welfare Assistance from a public agency and a part of such payments, adjusted in accordance with the Family's actual housing costs, is specifically designated by such agency to meet the Family's housing costs, the monthly portion of such payments which is so designated. If the Family's Welfare Assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage.

25. UTILITIES

Water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection and sewerage services. Telephone and television service is not included as a utility.

26. UTILITY ALLOWANCE

IF the cost of utilities (except telephone) and other essential housing services for an assisted unit is not included in the Tenant Rent but is the responsibility of the Family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD, of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of safe, sanitary, and healthful living environment.

27. UTILITY REIMBURSEMENT

The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the Family occupying the unit.

28. VERY LOW-INCOME FAMILY

A Lower Income Family whose Annual Income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

29. VETERAN

A person who has served in the active military or naval service of the United States (Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the United States Public Health Service) and who has been discharged or released from such service under honorable circumstances.

30. WELFARE ASSISTANCE

Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.