

MEMORANDUM

HOME Investment Partnerships Program (HOME) Policy Guidance

This policy remains effective until it is amended, superseded, or rescinded.

MEMO: 22-03

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This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

SUBJECT: Household Income Determination Policy and Procedure

This policy memorandum describes the policies and procedures of the HOME Investment Partnerships Program (HOME) regarding the household income determinations required as part of the program. In the event of any conflict between this policy memorandum and any other relevant guidance published by the Nebraska Department of Economic Development, this document controls. In the event of any conflict between this policy memorandum and the following, the following control: relevant guidance published by the US Department of Housing and Urban Development, federal statutes, or federal regulations.

Applicable Regulation

24 C.F.R. § 92.203 Income determinations.

(a) The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family's annual income.

(2) For all other families (i.e., homeowners receiving rehabilitation assistance, homebuyers, and recipients of HOME tenant-based rental assistance), the participating jurisdiction must determine annual income by examining at least 2 months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

(b) When determining whether a family is income eligible, the participating jurisdiction must use one of the following two definitions of "annual income":

(1) Annual income as defined at 24 CFR 5.609 (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family Assets, as defined in 24 CFR 5.603); or

(c) Although the participating jurisdiction may use either of the definitions of "annual income" permitted in paragraph (b) of this section to calculate adjusted income, it must apply exclusions from income established at 24 CFR 5.611. The HOME rents for very low-income families established under § 92.252(b)(2) are based on adjusted income. In addition, the participating jurisdiction may base the amount of tenant-based rental assistance on the

adjusted income of the family. The participating jurisdiction may use only one definition for each HOME-assisted program (e.g., downpayment assistance program) that it administers and for each rental housing project.

(d)

(1) The participating jurisdiction must calculate the annual income of the family by projecting the prevailing rate of income of the family at the time the participating jurisdiction determines that the family is income eligible. Annual income shall include income from all persons in the household. Income or asset enhancement derived from the HOME-assisted project shall not be considered in calculating annual income.

(2) The participating jurisdiction is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the participating jurisdiction determined that the family qualified as income eligible.

(3) The participating jurisdiction must follow the requirements in § 5.617 when making subsequent income determinations of persons with disabilities who are tenants in HOME-assisted rental housing or who receive tenant-based rental assistance.

Policy and Procedure

Per the requirements of 24 C.F.R. §92.203 the State of Nebraska, as the Participating Jurisdiction must determine each homebuyer household benefiting from the HOME Program funding is income eligible. Prior to any household receiving assistance from the HOME Program funding the Department must receive a complete copy of the income determination completed for the household along with the substantiating documentation supporting the determination. The Department will review the income determination provided and provide written correspondence to the Department's recipient of HOME Program funds agreeing or not agreeing the household is eligible to receive assistance through the HOME Program. The Department's recipient must receive written correspondence from the agency agreeing the household is income eligible under the program prior to any HOME funds being extended to the household. Recipients should email all income determination information (including supporting documents and Homebuyer Development Analysis Tool) to the HOME Housing Specialist and their applicable Program Representative.