

Case Study: Income Discrepancy Resolution

Use below information to complete this Case Study.

Reexamination Information:

Current annual reexamination date: September 1, 2011

Most recent type of action: Annual Reexamination effective September 1, 2010

The CHA does not require families to report increases in income in between annual reexams.

Assumptions: Ms. Contrary indicates that she receives monetary support in the amount of \$444 annually from her Uncle, Bob Candy. Tenant provided the CHA with a notarized statement which certifies under the penalties of perjury, she does not receive income from any other source. The tenant does not dispute EIV-reported income information.

Other Information: Family rent calculation has been the same as reflected on the September 2010, for annual reexaminations effective September 2009, September 2008, and September 2007. CHA's file documentation covers annual reexaminations dating back to September 2007. CHA has destroyed annual reexamination documentation prior to September 2007.

Information from 09/01/2010 form HUD-50058:

Household

Name	DOB	Disability	Race	Sex	Relation	Citizenship	SSN	Alien Registration Number
M CONTRARY	07/xx/1950	N	White	F	H	EC	xxx-xx-4444	
L CONTRARY	08/xx/2009	N	Black/African American	F	Y	EC	xxx-xx-5555	

Assets

Family Member Name	No.	Type of asset	Calculation(PHA use)	Cash value of asset	Anticipated Income
M CONTRARY	01				
L CONTRARY	02				
6f , 6g Column totals				\$ 0	\$ 0

Income

Family member name	No.	Income code	Calculation(PHA use)	Dollars per year	Income exclusions	Income after exclusions
M CONTRARY	01	N		\$ 444	\$ 444	\$ 0
L CONTRARY	02			\$ 0	\$ 0	\$ 0
7g Column total						\$ 0

Expected Income Per Year

8a. Total Annual Income: copy from 7i	\$ 0
8f. Medical/disability threshold: $8a * 0.03$	\$ 0
8g. Total unreimbursed disability assistance expense(if no disability expenses, skip to 8k):	\$ 0
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount If negative and head/spouse/co-head under 62 and head/spouse/co-head not disabled, put zero If negative and head/spouse/co-head elderly and head/spouse/co-head not disabled, put zero	\$ 0
8i. Earnings in 7d made possible by disability assistance expense:	\$ 0
8j. Allowable disability assistance expense: lower of 8h or 8i (If 8g is less than 8f and head/spouse/co-head elderly and head/spouse/co-head not disabled, copy from 8h)	\$ 0
8k. Total out of pocket medical expense: (If head/spouse/co-head under 62 and head/spouse/co-head not disabled, put 0)	\$ 0
8m. Total disability assistance and medical expenses: $8j + 8k$ (if no disability expenses, copy from 8k)	\$ 0
8n. Medical/disability assistance allowance: If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f(if 8m minus 8f is negative, put zero) If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 0
8p. Elderly/disability allowance(default=\$400):	\$ 0
8q. Number of dependents (people under 18, or with disability, or full-time student. Don't count head of household, spouse, co-head, foster child/adult, or live-in aide):	1
8r. Allowance per dependent(default = \$480):	\$ 480
8s. Dependent allowance: $8q * 8r$	\$ 480
8t. Yearly estimated childcare costs that are not reimbursed:	\$ 0
8x. Total allowances: $8e + 8n + 8p + 8s + 8t$	\$ 480
8y. Adjusted annual income: $8a$ minus $8x$ (if $8x$ is larger, put 0)	\$ 0

Total Tenant Payment (TTP)

9a. Total monthly income:8a / 12	\$ 0
9c. TTP if based on annual income: 9a * 0.10	\$ 0
9d. Adjusted monthly income:8y / 12	\$ 0
9e. Percent of adjusted monthly income: use 30% for Section 8	3000
9f. TTP if based on adjusted annual income:(9d * 9e)/100	\$ 0
9g. Welfare rent per month(if none put 0):	\$ 0
9h. Minimum rent (if waived, put 0):	\$ 50
9i. Enhanced voucher minimum rent:	\$ 0
9j. TTP, highest of lines 9c,9f,9g or 9h (if enhanced voucher, highest of 9c,9f,9g,9h or 9i):	\$ 50
9k. Most recent TTP:	\$ 50
9m. Qualify for minimum rent hardship exemption? (Y or N):	N

Section 8 : Vouchers

12a. Number of bedrooms on voucher:	2
12b. Is family now moving to this unit? (Y or N)	N
12c. Does the family qualify as a Hard to House family? (Y or N)	N
12d. Did family move into your PHA jurisdiction under portability? (Y or N) (If no, skip to 12g)	N
12e. Cost billed per month (put 0 if absorbed):	\$0
12f. PHA code billed:	
12g. Check all housing types that apply:	
12h. Owner name:	HUBBA BUBBA
12i. Owner TIN/SSN :	xxx-xx-1234
12j. Payment standard for the family:	\$521
12k. Rent to owner :	\$500
12m. Utility allowance, if any:	\$122
12p. Gross rent of unit: (12k + 12m) (or "Space Rent")	\$622
12q. Lower of 12j or 12p	\$521
12r. TTP : copy from 9j	\$50
12s. Total HAP: (12q - 12r)	\$471

Rent Calculation

12t. Total family share: (12p - 12s)	\$151
12u. HAP to owner: lower of 12k or 12s	\$471
12v. Tenant rent to owner: (12k - 12u)	\$29
12w. Utility reimbursement to family (12s - 12u), but do not exceed 12m	\$0

EIV Information:

Social Security Benefits

Verification Data		Benefit History		
Payment Status Code:	C - Current payment status (except railroad payment)	Date	Gross Benefit	
Date of Current Entitlement:	10/2007	12/2010	\$796.00	Benefits paid
Net Monthly Benefit if Payable:	\$796.00	09/2010	\$796.00	Benefits paid
Payee Name and Address:	Mary Contrary 123 Main Street Washington, DC	08/2010	\$796.50	Benefits paid
		06/2010	\$796.00	Benefits paid
		12/2008	\$796.00	Benefits paid
		12/2007	\$279.00	Benefits paid
		10/2007	\$273.00	Benefits paid

Lump Sum	
Date	Amount
09/01/2010	\$0.00

Date Received by EIV: 04/02/2011

Dual Entitlement

Verification Data		Benefit History		
Claim Number#:	999999999-B6	Date	Gross Benefit	
Payment Status Code:	AD - Adjusted for dual entitlement	12/2010	\$501.00	Benefits not paid
Date of Current Entitlement:	12/2008	12/2008	\$501.00	Benefits not paid
Net Monthly Benefit if Payable:	\$501.00			
Payee Name and Address:	Mary Contrary 123 Main Street Washington, DC			

Date Received by EIV: 04/02/2011

Medicare Data

Verification Data		Premium Buy-in Buy-in Start Buy-in Stop			
Payee Name and Address:	Mary Contrary 123 Main Street Washington, DC	Hospital Insurance:	\$0.00	N	
		Supp. Med. Insurance:	\$115.40	Y	10/01/2010

Date Received by EIV: 04/02/2011

Supplemental Security Income Benefits

Verification Data		Payment History of Net Benefits Paid			
Payment Status Code:	N01 - Non-pay - Countable Income exceeds Title XVI federal benefit rate	Date	Federal Amount	State Amount	Type of Payment
Alien Indicator:		09/01/2010	\$0.00	\$0.00	No Payment
SSI Monthly Assistance Amount (Current):	\$0.00	06/01/2009	\$399.00	\$0.00	Recurring Payment
State Supplement Amount (Current):	\$0.00	05/10/2009	\$250.00	\$0.00	Lump Sum Payment
Payee Name and Address:	Mary Contrary 123 Main Street Washington, DC	01/01/2009	\$399.00	\$0.00	Recurring Payment
		02/01/2008	\$378.00	\$0.00	Recurring Payment
		01/01/2008	\$637.00	\$0.00	Recurring Payment
Date of Current Entitlement:	01/01/2006	01/01/2007	\$623.00	\$0.00	Recurring Payment
		01/01/2006	\$603.00	\$0.00	Recurring Payment

Date Received by EIV: 04/02/2011

Disability

Disability: Yes **On-set Date:** 03/25/1993

Date Received by EIV: 04/02/2011

Case Study: Income Discrepancy Resolution

Record your answers below

1. What is the period of the rent underpayment?

2. How much retroactive rent does Ms. Contrary owe the County Housing Agency (CHA)?

Ms. Contrary owes the CHA \$_____

Calculations:

Correct Rent

Annual Income:

Adjusted Annual Income:

Total Tenant Payment:

HAP to Owner:

Tenant Rent to Owner:

Retroactive Rent Calculation (Correct Rent – Incorrect Rent):

3. What action should CHA take?

The CHA should take the following actions:

Optional actions the CHA may take:

Case Study Solution: Income Discrepancy Resolution

1. What is the period of the rent underpayment?

The period of the rent under payment is 09/01/2007 – 08/31/2011

2. How much retroactive rent does Ms. Contrary owe the County Housing Agency (CHA)?

Ms. Contrary owes the CHA \$8,316.00

Calculations:

Correct Rent Effective 09/01/2007

Annual Income: **\$7,476** [\$623 X 12 unreported SSI benefits]

Adjusted Annual Income: **\$6,596** [\$7,476 annual income - \$480 dependent allowance - \$400 Disability Allowance]

Total Tenant Payment: **\$165** [\$6,596/12 months = \$549.67 X 30%]

HAP to Owner: **\$356**

Tenant Rent to Owner: **\$144** (Correct Rent)

Retroactive Rent Calculation (Correct – Incorrect Rent): \$144 - \$29 = \$115 per month

\$115 X 12 months tenant paid incorrect rent = \$1,380

Correct Rent Effective 09/01/2008

Annual Income: **\$7,884** [\$279 X 12 unreported SS Benefits + \$378 X 12 unreported SSI benefits]

Adjusted Annual Income: **\$7,004** [\$7,884 annual income - \$480 dependent allowance - \$400 Disability Allowance]

Total Tenant Payment: **\$175** [\$7,004/12 months = \$583.67 X 30%]

HAP to Owner: **\$346**

Tenant Rent to Owner: **\$154** (Correct Rent)

Retroactive Rent Calculation (Correct – Incorrect Rent): \$154 - \$29 = \$125 per month

\$125 X 12 months tenant paid incorrect rent = \$1,500

Correct Rent Effective 09/01/2009

Annual Income: **\$14,340** [\$796 X 12 unreported SS Benefits + \$399 X 12 unreported SSI benefits]

Adjusted Annual Income: **\$13,460** [\$14,340 annual income - \$480 dependent allowance - \$400 Disability Allowance]

Total Tenant Payment: **\$336** [\$13,460/12 months = \$1,121.67 X 30%]

HAP to Owner: **\$185**

Tenant Rent to Owner: **\$315** (Correct Rent)

Retroactive Rent Calculation (Correct – Incorrect Rent): \$315 - \$29 = \$286 per month

\$286 X 12 months tenant paid incorrect rent = \$3,432

Correct Rent Effective 09/01/2010

Annual Income: **\$9,552** [\$796 X 12 unreported SS Benefits]

Adjusted Annual Income: **\$8,672** [\$9,552 annual income - \$480 dependent allowance - \$400 Disability Allowance]

Total Tenant Payment: **\$217** [\$8,672/12 months = \$722.67 X 30%]

HAP to Owner: **\$304**

Tenant Rent to Owner: **\$196** (Correct Rent)

Retroactive Rent Calculation (Correct – Incorrect Rent): \$196 - \$29 = \$167 per month

\$167 X 12 months tenant paid incorrect rent = \$2,004

Total Retroactive Rent Due to the CHA for the period of 09/01/07 – 08/31/2011:	\$8,316.00
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3. What action should CHA take?

The CHA should take the following actions:

- Notify Ms. Contrary in writing of the retroactive rent due and request payment (include right to contest & grieve clause)
- If Ms. Contrary is unable to pay the retroactive balance in full by the requested date:
 - ◆ Offer a repayment agreement
 - ◆ Execute repayment agreement
 - ◆ Terminate assistance and/or tenancy if Ms. Contrary refuses to enter into a repayment agreement or defaults on repayment agreement

Optional actions the CHA may take:

- Terminate lease and/or tenancy
 - Eviction (Public Housing)
- Refer for State and/or Federal prosecution, which may result in:
 - Fines up to \$10,000
 - Imprisonment for up to 5 years
 - Other penalties as determined at judicial hearing

Note: It is a crime to knowingly and willfully falsify, conceal, cover up by any trick, scheme, device a material fact, make any materially false, fictitious, or fraudulent statement or representation. See 18 U.S.C. § 1001.