

ESG, HP & HPP INCOME VERIFICATION & DOCUMENTATION

HUD requires grantees and subgrantees to count as annual income the types of income as listed below.

Income is money that goes to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member. Annual income includes the **current gross income** of all **adult household members**.

- **Gross Income** is the amount of income earned before any deductions (such as taxes, and health insurance premiums) are made.
- **Adult Household Members** excludes the income earned by minors and adult full-time students who are not the Head of Household, inheritance and insurance income, medical expense re-imbursements, income of live-in aides, some state payments for disability, student financial aid, and armed forces hostile fire pay.

The following types of income must be counted when calculating gross income:

General Category Description

1. **Earned Income**-- The full amount of gross income earned before taxes and deductions.
2. **Business Income** -- The net income earned from the operation of a business, i.e., total revenue minus business operating expenses. This also includes any withdrawals of cash from the business or profession for your personal use.
3. **Interest & Dividend Income** -- Monthly interest and dividend income credited to an applicant's bank account and available for use.
4. **Pension/Retirement Income** -- The monthly payment amount received from Social Security, annuities, retirement funds, pensions, disability and other similar types of periodic payments.
5. **Unemployment & Disability Income** -- Any monthly payments in lieu of earnings, such as unemployment, disability compensation, SSI, SSDI, and worker's compensation.
6. **TANF/Public Assistance** -- Monthly income from government agencies excluding amounts designated for shelter, and utilities, WIC, food stamps, and childcare.
7. **Alimony, Child Support and Foster Care Income** -- Alimony, child support and foster care payments received from organizations or from persons not residing in the dwelling.
8. **Armed Forces Income**-- All basic pay, special day and allowances of a member of the Armed Forces excluding special pay for exposure to hostile fire.

Most Desirable



Still Acceptable

For more information, see: [24 CFR 5.609 - Annual income.](#)

<u>General Category</u>	<u>Documents</u>	<u>Third party (written)</u>	<u>Third party (oral)</u>	<u>No third party verification</u>
Earned & Armed Forces Income <i>(including base and overtime rates, bonuses and incentive payments)</i>	Pay stubs, earnings statement or W-2 form identifying employee and showing amount earned and period of time covered by employment	Signed and dated verification form or letter from employer specifying amount to be earned per pay period and length of pay period	Statement from case-worker indicating contact with employer by phone or in person, specifying amount earned per pay period.	Self-Declaration of Income
Business Income <i>(including tips and gratuity)</i>	Notarized statement from applicant or form 1040/1040A showing amount earned and employment period.	None	None	Self-Declaration of Income
Pension / Retirement Income	Copy of check issued by agency	Signed and dated verification form	Statement from case worker indicating date of contact with agency, amount received, and date received.	Self-Declaration of Income
TANF / Public Assistance	Copy check issued by government agency	Signed and dated verification form from	Statement from case worker indicating date of contact with agency, amount received, and date received.	Self-Declaration of Income
Unemployment/ Worker's Compensation/ Disability	Copy check issued by agency	Signed and dated verification form	Statement from case worker indicating date of contact with agency, amount received, and date received.	Self-Declaration of Income
Alimony, Child Support and Foster Care Income (Income for the custodial parent)	(A) Copy of payment records furnished by court, signed and dated, showing amount received (B) Copy of divorce decree showing amount of support (C) Copy of uncashed check	Signed and dated verification form or letter from paying parent	Statement from case worker indicating date of contact with paying parent and amount received.	Self-Declaration of Income
Interest / Dividends	Passbook showing interest received and period covered	Signed and dated verification form from savings institution showing amount and period received	Statement case worker indicating date of contact with official at institution, amount received, and date received.	Self-Declaration of Income