



**Housing Authority of the City of Santa Rosa
Homeownership Program**

Guidelines for Completion of the Income Certification Form

INCOME INCLUSIONS

Wages:

- Wages and salaries must be based on current information and any known wage increase scheduled in the future. Use gross income.
- Overtime pay, commissions, tips, bonuses, and other compensation for personal services shall be based on an average of this income.

Self-Employment:

- When calculating annual income, include the net income from operation of the business or profession including self-employment income. Net income is gross income less business expenses, interest on loans, and depreciation computed on a straight-line basis.
- In addition to net income, count any salaries or other amounts distributed to family members from the business, and cash or assets withdrawn by family members, except when the withdrawal is a reimbursement of cash or assets invested in the business.
- When calculating net income, owners must not deduct principal payments on loans, interest on loans for business expansion or capital improvements, other expenses for business expansion, or outlays for capital improvements.
- If the net income from the business is negative, it must be counted as zero income. A negative amount must not be used to offset other family income.

Assets:

- Current value of cash, checking accounts, saving accounts, investment accounts, trusts, retirement accounts (employee contribution only) and any other assets of real or personal property. Current equity in real property should be used. Income earned from the asset, not the value of the asset, will be included in annual income, and calculated per HUD guidelines. The amount of taxable interest noted on tax returns will be considered asset income.

Other 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 lump-sum payment for the delayed start of a periodic payment.
- Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay.
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.

INCOME EXCLUSIONS

- 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, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income.
- Temporary, nonrecurring, or sporadic income (including gifts).
- The value of necessary items of personal property, such as furniture and cars.
- The value of cash assets to be used as a down payment for the subject property. **Attach title company documentation to verify the amount of down payment.**
- Employer's contribution amount in a retirement fund.