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|  |  **Homeownership Income Eligibility** **Included and Excluded Income**  **Pursuant to 24 CFR 5.602** |
| **Category** | **Description of Sources** |
| **Sources of Income to Include** | * Full amount (before payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services
* Net income from the operation of a business or profession
* Interest, dividends and other net income of any kind from real or personal property. Where total assets exceed $5,000, income to be counted is the greater of actual income derived or 2% of the value of such assets. (See included and excluded asset list below.)
* Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump- sum amount or prospective monthly amounts for the delayed start of a periodic amount
* Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay (except for lump-sum additions to family assets, see Exclusions from Annual Income, below Welfare assistance)
* Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling
* All regular pay, special pay and allowances of a member of the Armed Forces (except for special pay for exposure to hostile fire)
* Any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965, shall be considered income to that individual, except that financial assistance is not considered annual income for persons over the age of 23 with dependent children. “Financial assistance” does not include loan proceeds for the purpose of determining income.
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| **Sources of Income to Exclude** | * Income from the employment of children (including foster children) under the age of 18
* Payment received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone
* 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
* Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member
* The special pay to a family member serving in the Armed Forces who is exposed to hostile fire
* Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
* Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program
* Temporary, non-recurring or sporadic income (including gifts)
* Adoption assistance payments received on behalf of an adopted child
* Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts
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October 2016