




**2025 CAHEC  
Partners Conference**



**Nobody Puts HOTMA in the Corner  
When you know the policy**

 **Presented by**  
**Steven James, NCHFA** 



# Disclaimer!

- The policy/information contained in this presentation was prepared and related handouts are accurate at the time of this presentation
- Upon further release of guidance from the Internal Revenue Service (IRS) and US Department of Housing and Development (HUD) or State Housing Finance Agencies (HFA), additional updates to our policies may be necessary and will be communicated by the prospective State Housing Finance Agencies

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## State Housing Finance Agencies policies differ state to state – WHY?

HUD HOTMA, specifically Section 104, outlines how Housing Finance Agencies (HFAs) may deviate from HUD's requirements.

### Section 104:

#### **Flexibility for HFAs:**

- Within Section 104, there are provisions that allow PHAs to deviate from specific HUD requirements, particularly in areas like asset limits and income review procedures

#### **State-Level Implementation:**

- Flexibility HFAs, to adapt HOTMA's requirements to better suit the specific needs of their localities and the families they serve, while ensuring compliance with federal regulations

#### **Examples of Deviations:**

- HFAs may implement stricter asset limits than those set by HUD, or they might adjust income review frequencies based on local circumstances

#### **Compliance:**

- While HFAs can deviate from specific requirements, they must still adhere to the overall framework of HOTMA and demonstrate that their changes align with the law's purpose of streamlining administration and ensuring consistency in HUD programs.



*In essence, HOTMA provides a framework for HUD programs, but it also acknowledges the need for state-level flexibility, allowing HFAs to adapt to local contexts while maintaining adherence to federal standards.*



## Know Your State HFA Requirements as they vary state to state





**I ♥ 800's**  
and you can love HOTMA too!

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# HOTMA Guidance

*For published PIH/MFH housing notices, webinars and other Implementation assistance, refer to the HUD Exchange*

Resources and assistance to support HUD's community partners

**HUD EXCHANGE** [NEED HOUSING ASSISTANCE?](#) [Email Updates](#) [Log In](#)

[Programs](#) [Resources](#) [Trainings](#) [Program Support](#) [Grantees](#) [News](#)



**HOTMA**  
The Housing Opportunity Through Modernization Act of 2016 (HOTMA) was enacted in 2016 and affects public housing and Section 8 rental assistance programs.

[Learn about HOTMA](#)

 <https://www.hudexchange.info/programs/hotma/>  

# What is HOTMA?

- The Housing Opportunity Through Modernization Act of 2016 (HOTMA) was designed to modify several multifamily housing programs to benefit tenants and reduce the burden on providers by streamlining processes.
- The final rule for implementing several sections of the 2016 legislation was published February 14, 2023
- Most of the HOTMA regulations outlined in the final rule are effective January 1, 2024 and that's statutorily required. Not every modification made in the HOTMA final rule affects all housing programs



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## Notices

### Notice H 2024-09

- Revised Compliance Date: Implementation of sections 102 and 104 of HOTMA extends the compliance date to July 1, 2025

HUD is unable to make changes to any Internal Revenue codes, statutes or regulations. However, the LIHTC program has for years relied upon HUD's income calculations for its residents

### IRS Notice 88-80

- Determination of income for purposes of IRC §42(g)(1)
- Income of individuals and area median gross income are made in a manner consistent with the determination of annual income and the estimates for median family income under section 8 of the United States Housing Act of 1937 (HUD section 8)



# Where to start?

## A Well-Designed Application

- A well-designed application should ask the “important questions”
- Review the income section – does it include all the income types?
- Review the asset section – does it include all the asset types?
- Recommend use of a “yes” or “no” checklist to ensure that applicants provide a definite answer to each question
- Take advantage of state/professional trainers/software best practice forms
- No spaces should be left empty
- Site Manager should not fill in missing information
- Set a “interview time” to go over the application with applicants
- All household members 18 years of age and older are required to sign



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# Annual Rate Updates & Frequency

## Annual Rate Updates

- FR Vol. 88 No. 30 /9621and Notice H 2023-10/Notice PIH 2023-27 / 54-55
- The final rule implements the use of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as the bases for necessary inflation index adjustments
- Same data used for the Cost-of-Living Adjustment (COLA) for Social Security and SSI benefits

## Frequency

- Notice H 2023-10/Notice PIH 2023-27 / 81-83
- Expected to release revised annual amounts no later than September 1, with effective dates of January 1 of each year for the following:
  - Value cap of net family assts cap for imputing returns
  - Value cap on non-necessary personal property to include in net family assets
  - Income exclusions for earned income of dependent full-time students
  - Income exclusions for adoption assistance payments



**Annual Updates**





# 2025 HUD Inflation-Adjusted Values Effective January 1, 2025

Imputed Asset Income Threshold

- 2025 - \$51,600 (2024 - \$50,000)

Non-Necessary Personal Property Inclusion Threshold

- 2025 - \$51,600 (2024 - \$50,000)

Asset Self-Certification Threshold

- 2025 - \$51,600 (2024 - \$50,000)

Earned Income Exclusion for Dependent Adult Full-Time Students

- 2025 - \$480 (Unchanged)

Adoption Assistance Exclusion

- 2025 - \$480 (Unchanged)

HUD Passbook Rate

- 2025 - 0.45% (2024 - 0.4%)



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**I ❤️ 80's**

**What's your favorite cars  
from the 80's? Were you driving?**



# Definition of Annual Income

24 CFR Part 5 §5.609(s); Notice H 2023-10/Notice PIH 2023-27 / 42; FR Vol. 88, No. 30 / 9603

- Definition has been aligned across the programs to be the amount of income a family receives:
- All amounts (that is not specifically excluded)
- From all sources (including applicable assets)
- By each family member:
  - 18 years of age and older
  - Head of Household
  - Spouse of the head household
  - Independent contractors, day laborers or seasonal workers
- Unearned Income
  - By or on behalf of each dependent who is under 18 years of age.

**Note:** *Income includes amounts actually received, not what a family may be legally entitled to receive, such as alimony or child support payments based on any court or agency order*



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## Income 24 CFR § 5.609 (c)

**Inclusions:** HOTMA removed the source of income listed in 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)

- Note: See Student Financial Assistance Slide
- Student Employment Income; Earned income of dependent full-time students is excluded in excess of the amount of the deduction for a dependent
- Adoption Assistance; Include Adoption Assistance up to an amount equal to the current Dependent Deduction



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# Income 24 CFR § 5.609 (c)

## Exclusions:

- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
- Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
- Temporary, nonrecurring, or sporadic income
  - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example Census takers)
  - Day labors, independent contractors, and seasonal workers or **NOT** considered temporary, nonrecurring or sporadic and are all specifically included in family income
- Workman's Compensation 24 CFR § 5.609 (c) (5)
- Earned income of children under the age of 18 years
- Foster Care Stipends



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# Exclusions from Income

FR Vol. 89, No. 21 / 6127

HOTMA Final rule expands/revises the list of excluded from annual income

## Income Exclusions (updated 1/31/2024)

Federal Register / Vol. 89, No. 21 / Wednesday, January 31, 2024 / Notices

6127

Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.  
**SUPPLEMENTARY INFORMATION:** Under several HUD programs (Mortgage Insurance and Interest Reduction Payment for Rental Projects under 24 CFR part 236; Section 8 Housing Assistance programs; Public Housing programs); HOME Investment Partnerships Program under 24 CFR part 92; Housing Trust Fund under 24 CFR part 93; Housing Opportunities for Persons With AIDS under 24 CFR part 574, the definition of income excludes amounts of other benefits specifically excluded by Federal law.

Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*) to more accurately capture the language of 25 U.S.C. 4103(9), listed as exclusion (23);  
(5) Corrects that any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)), listed as exclusion (25);  
(6) Corrects that the first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made

Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C. 5058), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 *et seq.*) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This



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# Income Verification Hierarchy

**Notice H 2023-10/Notice PIH 2023-27 / 105-109**

*Following describes the HUD order of preference for income verification documents*

*Owners, per HUD, must demonstrate efforts/document why third-party was not available unless regulations specifically permit family self-certification*

- Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV) System - **Highest**
- UIV using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.) – **Highest**
- Written 3rd-party verification from the source, "Tenant Provided" (e.g. Pay Roll Summary Report/Check Stubs, Bank Statements, Employer Offer Letter, SSA Benefit Letter, etc. – **High**
- OR-
- EIV + Self Certification (if family agrees with EIV information; report must be pulled 120 days prior to reexamination effective date)



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# Income Verification Hierarchy

## Notice H 2023-10/Notice PIH 2023-27 / 105-109

- Written, 3rd-party Verification Form (use if Highest an High Level verification is not available) – **Medium**
- Oral 3rd-party Verification (may be via phone or in-person visit, must document the date/time of call or visit, name of person contacted, their phone number, and information confirmed) Per HUD, this level may be skipped if Medium Level verification was attempted and documented – **Medium**
- Self-Certification (not 3rd-party verification. Must document why 3rd-party verification was not available. HUD does not require self-certifications to be notarized, but does recommend including language regarding the penalty for knowingly providing false information. Use as a last resort when unable to obtain any type of 3rd-party verification or if specifically permitted (such as when actual income from assets when the family certifies that net family assets do not exceed the asset threshold (\$51,600 for 2025). May be used as highest form of verification when the family reports zero income – **Low**



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# Student Financial Assistance

## 24 CFR § 5.609 (b)(9)

Applies to **ALL** households, not just households receiving Section 8 Assistance

All student financial assistance over covered cost of education is included in income, except HEA Title IV Assistance

- Actual Covered Cost: Tuition, Fees, Books, & Supplies, Room & Board
- Example of HEA Title IV Assistance: Federal Pell Grants
- Applies to **BOTH** full-time and part-time student



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# Child Support

## 24 CFR § 5.609 (a)(1)-(a)(2)

Annual income includes “all amounts received”, not the amount the family may be legally entitled to receive but which they do not receive

- If Child Support Enforcement is not involved and the CSE printout is available, most state HFAs will allow the use of the Child Support Certification to be used as a self-affidavit
- When calculating income: only the actual amount received is to be calculated



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# Foster Adult & Child

## 24 CFR § 5.609 (b)(8)

To be considered a foster/child; that adult/child must be placed with the family by an authorized placement agency (i.e. public child welfare agency)

- All income received by fosters is excluded income
- Any assets held by fosters must be excluded
- Fosters must not be included when determining household size for income limits
  - Include when determining bedroom size



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# Income 24 CFR § 5.609 (c)

## Verifications:

- New requirement (except for HOME and NHTF): Only required to obtain a minimum of TWO, most recent, consecutive paystubs, no matter how often the individual is paid
- HOME/NHTF requirement remains unchanged: two MONTHS worth of pay stubs
- EIV and Work Number
- Annual income determined by "Means Tested"
  - Temporary Assistance for Needy Families ("TANF")
  - Medicaid
  - Supplemental Nutrition Assistance Program ("SNAP")
  - Special Supplemental Nutrition Program for Women, Infants, and Children
  - Supplemental Security Income (SSI)
  - Other HUD-administered programs
  - Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding
  - Other federal benefit determinations made by other means-tested federal programs that HUD determines to have comparable reliability and announces through a Federal Register notice



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I

80'S













Fashion...what were you wearing?





# Definition of Net Family Assets

24 CFR Part 5 §5.603(b)

Notice H 2023-10/Notice PIH 2023-27 / 44-46

- Net cash value of all assets owned by a family, after deducting reasonable cost that would be incurred of disposing:
  - Real Property
  - Savings
  - Stocks
  - Bonds
  - Other forms of capital investments

## Asset Exclusions

- 24 CFR Part 5 §5.603(b)
- Notice H 2023-10/Notice PIH 2023-27 / 46, 52



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# Assets 24 CFR § 5.659 (e)

## Asset Exclusions

### Necessary personal property:

- Items essential to the household for day-to-day employment, education, health and wellness
- Examples: furniture, clothing, medical equipment, common electronics

Non-necessary personal property with a combined value less than annual asset self-certification threshold is excluded:

- Items not essential to the household for day-to-day employment, education, health and wellness
- Examples: recreation vehicles, bank accounts, collectables

### Retirement plans recognized as such by the IRS ([www.irs.gov](http://www.irs.gov)):

- Annuities, stocks, bonds, CDs, etc. that are part of a retirement account are also excluded
- If receiving a distribution, the distribution is considered income

### Federal and State tax refunds

- Reduces household's total asset value but not income from individual assets



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# Assets 24 CFR § 5.659 (e)

## Real Property in North Carolina

- Land/building or structure/permanent fixture: Always counted as an asset 24 CFR § 5.1000
- A single/double wide home: if local tax office deems it personal property, it is not included as an asset and not listed on the TIC
- Real property where the household does not have the legal authority to sell is excluded (must be able to document)



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# Assets 24 CFR § 5.659 (e)

## Asset Verification:

### Asset Self Certification:

- HOME/NHTF must continue to third party verification of **ALL** assets at move-in
- When total household assets are below the annual self certification threshold, certify using the Asset Self Certification
- When total household assets exceed annual asset self certification threshold, **ALL** assets must be 3<sup>rd</sup> party verified
  - Unless tax return reduces household assets below the annual asset self certification threshold
- For **ALL** funding sources, the Asset Self Certification is permissible at annual recertification
- Checking Accounts: 6-month average is no longer required. New requirement is the current balance, just as a savings account
- Joint Assets: Total cash value of the asset is counted (no matter the percentage of ownership to the household member). Unless the asset is otherwise excluded or unless the household can demonstrate the asset is inaccessible (must document)



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# Asset Income

- Impute assets only when total assets exceed annual asset-self certification threshold
- Impute **ONLY** those where asset income is not verifiable
  - Imputing using current HUD passbook rate
  - Never impute **ALL** asset value (unless **ALL** do not have verifiable income)
  - Example of imputed assets: Land does not have a verifiable asset income because it does not produce income (land will always be imputed when exceeding the threshold)

## Disposed of Assets

- All disposed of assets need to be considered
- Removed the \$1,000 threshold
- Actual assets is always counted, regardless if the asset itself is excluded (i.e. interest on a checking account)
- Note: Guidance, particular related to assets, is constantly changing, more information on asset requirements to come in the future



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What are your favorite 80's songs?



# Regulatory References

## Trust Distributions (Irrevocable/Revocable Trust)

- 24 CFR Part 5 §5.609(b)(2)
- FR Vol. 88, No. 30 / 9638 to 9639
- Notice H 2023-10/Notice PIH 2023-27 / 49-52

## Full-Time Students Adoption Assistance Payments

- 2 CFR Part 5 §5.609(b)(14) and (15)

## Loan Proceeds

- 24 CFR Part 5 §5.609(b)(20)

## Exclusions Required by Other Federal Statutes

- 24 CFR Part 5 §5.609(b)(22)
- Notice H 2023-10/Notice PIH 2023-27 / 78



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# Regulatory References

## Nonrecurring Income

- Notice H 2023-1/Notice PIH 2023-27 / 79 (February 2, 2024)
- 24 CFR Part 5 §5.609(b)(24)

## Recognized Retirement Plans

- 24 CFR Part 5 §5.06(b)(25)
- [www.irs.com](http://www.irs.com)

## Adjusted Income

- 24 CFR Part 5 §5.611(c) to (e)
- Notice H 2023-10 Notice PIH 2023-27 / 26-34



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# Regulatory References

## Elderly Household Deduction

- HB-2-3560 6.9.C.3 Page 6-10 & 11
- 4350. 5-10 E / 5-45 & 46

## Disability Assistance Deduction

- HB-2-3560 6.9.C.4 Page 6-11 & 12
- 4350.3 5-10 C / 5/42 to 44

Notice H 2023-10/Notice PIH 2023-27 / 26-34

### Types of disability Assistance Expenses

- HB-2-3560 6.9.C.3 Page 11
- Notice H 2023/Notices PIH 2023-27 / 26-34
- Reasonable Attendant Care & Auxiliary Apparatus Items

## Medical Expenses (Health and Medical Care Expenses)

- HB-2-3560 6.9.C.5 Pages 6-12
- 4350.3 5-10 D / 5-45 & 46
- Notice H 2023-10/Notice PIH 2023-27 /26-34



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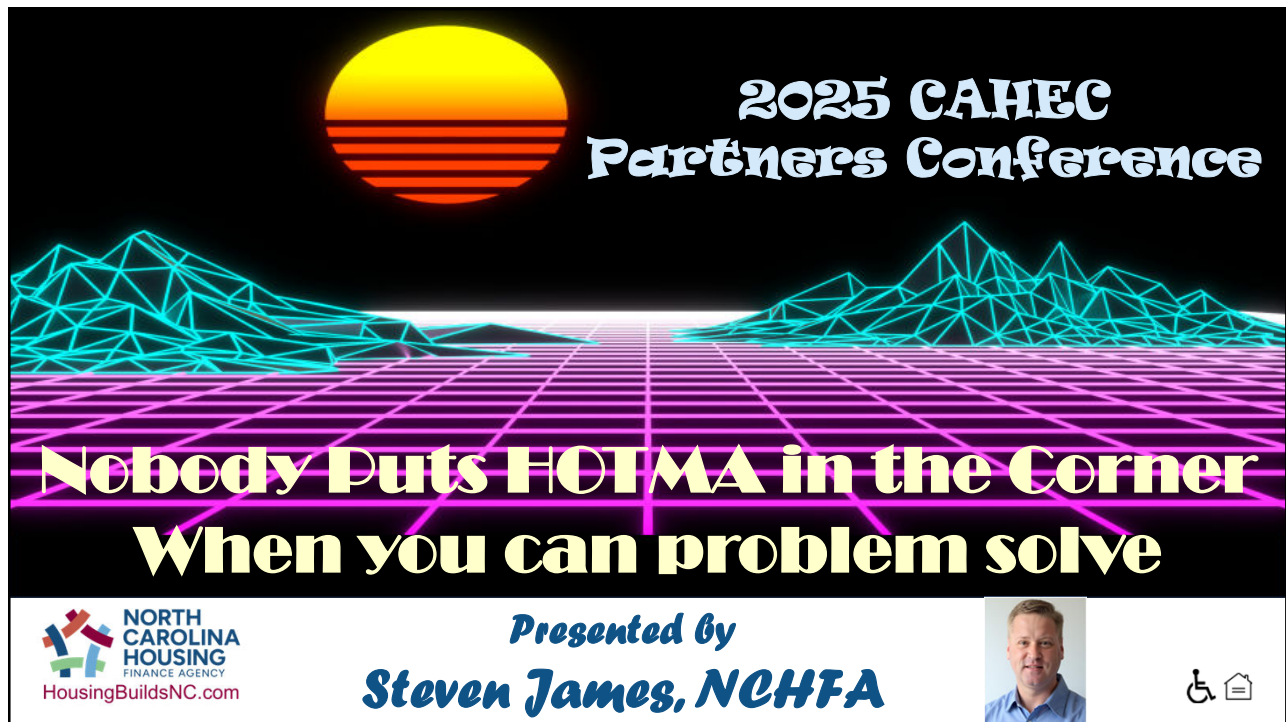
**THE END**

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**Questions?**  
**[rentaltrainings@nchfa.com](mailto:rentaltrainings@nchfa.com)**






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
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[Learn about HOTMA](#)

 **NORTH CAROLINA HOUSING FINANCE AGENCY**  
HousingBuildsNC.com

<https://www.hudexchange.info/programs/hotma/>



**NOBODY PUTS BABY IN THE CORNER**



*Dirty Dancing*

**Not even HOTMA!**




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 **NORTH CAROLINA HOUSING FINANCE AGENCY**  
HousingBuildsNC.com







True



False

States are required to strictly follow HOTMA Guidance, so it is consistent across the board for owners/management?



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**Section 104:**

**Flexibility for HFAs:**

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**State-Level Implementation:**



- Flexibility HFAs, to adapt HOTMA's requirements to better suit the specific needs of their localities and the families they serve, while ensuring compliance with federal regulations

**Examples of Deviations:**

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**In essence, HOTMA provides a framework for HUD programs, but it also acknowledges the need for state-level flexibility, allowing HFAs to adapt to local contexts while maintaining adherence to federal standards.**





Tia and her son, Johnathan compose a household at Retro Grande Apartments and the following income has been verified. TIA has employment income of \$30,000 annually and receives \$2,000 LIHEAP funds. (Low Income Home Energy Assistance Program) Johnathan does not work as he attends Neon Elementary School.

**The total household income is:**

**\$30,000**

*The \$2,000 LIHEAP is excluded per the HUD Exclusion Notice (FR Vol 89, NO 21 / 6127)*



**Kind**



**Personable**

**APPROACHABLE**



Will and Mrs. Will live at Walking on Sunshine Apartments with their two sons, Will Jr. and Little Will, both under 18 and unemployed. Will has employment income of \$75,000 annually and Mrs. Will has employment income of \$125,000 annually. Also, joining the household will be a Will's nephew, Steve, who is 22 and has unearned income of \$25,000 annually. Steve is a foster adult.

What is the annual household total income?

**\$200,000**

**Exclude Steve's Income – Foster Income**

For income limit purposes, what is the household size?

**Four**

**Exclude Steve**

For occupancy purposes, what is the household size?

**Five**

**Include Steve**



Matt has a 401k and he is at the age he can start taking distributions. The cash value of the 401k account is \$675,000 and he takes a quarterly distribution of \$10,000.

Is the 401k account treated as an asset or as income?

What is the annual income from the 401k that would be listed on the Tenant Income Certification?



**\$10,000 X 4 Quarters = \$40,000 Annually**



Raynette has Workers Compensation income of \$2,000 monthly, that has been verified and is her only source of income.

What is her annual income  
From Workers Compensation?

\$0



**Excluded Income**



**Meet our friend Irish**



Irish volunteers at the Flower Shuttle as part of her community outreach through work. She enjoys it so much, in her free time she typically volunteers two Saturdays a month. Because she is so loved by the other volunteers and recipients of the follower arrangements, she normally receives monetary gifts/tips in the amount of \$20 each time she volunteers outside of her job requirements.

Because this income is sporadic, is it included in the household's income?

How much is included?

**\$480**



**2 Saturdays X 12 Months = 24 Periods X \$20 = \$480 Annual Income**



FR Vol. 89, No. 21 / 6127

HOTMA Final rule expands/revises the list of excluded from annual income

**Income Exclusions (updated 1/31/2024)**

Federal Register / Vol. 89, No. 21 / Wednesday, January 31, 2024 / Notices

6127



Ella is currently unemployed and is collecting unemployment payments. Her verification indicates that she will receive \$1,000 weekly for 26 weeks.

When calculating her income, how many weeks will be used in the calculations?

What is the income that would be listed on the Tenant Income Certification?



**\$1,000 Weekly  
+ 52 Weeks  
=\$52,000**







# Meet Bonnie!



Bonnie is a full-time student, she is receiving the following grants and scholarships: \$23,000 in a federal Pell Grant, a \$5,000 Teach Grant and another \$5,000 scholarship from the Johnson County Women's Football League.

Her actual covered cost are \$34,000.

How much assistance is would be counted as income?

Excluded Assistance	\$28,000
Covered Cost	-\$34,000
	\$6,000
Scholarship	-\$5,000

Subtract the Excluded Financial Assistance from the Covered Cost

If there is a remaining balance subtract the remaining covered cost balance from the included assistance

**Most Common**

**\$1,000 Remaining Covered Cost**



**There is no financial assistance income**  
Covered cost balance is greater than the included assistance

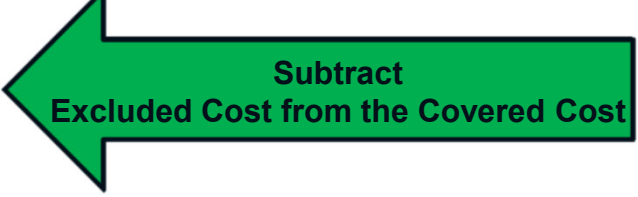


Brandon is a full-time student, he is receiving the following grants and scholarships: \$23,000 in a federal Pell Grant, a \$5,000 Teach Grant and another \$5,000 scholarship from the CAHEC/NAHMA Scholarship. His actual covered cost are \$28,000.

**How much student financial assistance is excluded under 479B of the HEA?**

**\$28,000**

**How much assistance is would be counted as income?**

Excluded Assistance	\$28,000	
Covered Cost	\$28,000	
	\$0	
Scholarship	\$5,000	
	\$5,000 Assistance Income	



**HOTMA Update:** Applies to all Tax Credit Households 

## Rank the Following Verifications Highest to Lowest Using the Income Verification Hierarchy

**LOW**

Affidavit (written by applicant/tenant)

**Medium**

Pay Stubs or Statements

**HIGH**

Employment verification, Asset Verification



EIV, the Work Number



Pat is currently employed by CAHEC and brings in the leasing office two consecutive paystubs.

Has Pat meet the minimum income verification requirements under HOTMA?

Could the owner/management have more restrictive requirements?



**LET'S  
DISCUSS**

yes  
yes



Valerie is a Dependent, Adult, Full-time Student that earns \$25,000 annually working at the local veterinarian's office while in college.

What is the income that would be listed on the Tenant Income Certification as Valerie's income?

**\$480**

**Only count Dependent, Adult, Full-time student income up to the deduction**



**Updated  
Annually**



Greg is entitled to receive \$100 a week in Child Support for his son, Steward. However, Greg is only receiving \$50 a week.

What is Greg's  
annual Child Support Income?

**\$50 X 52 Weeks = \$2,600**

**\$2,600  
Annually**



***Only count what is received  
Not what the household member is entitled to receive***



I ❤️ 80's

A collage of various food and candy items popular in the 1980s, including a bowl of spaghetti, chicken nuggets, a bag of Nerds candy, a box of Jell-O Pudding Pops, a bag of Fun Dip, a box of Cow Tales, a plate of onion rings, a stack of nachos, a plate of tacos, and a slice of cheesecake.

**Food & Candy...what were you eating?**



What is the current asset threshold for Imputing and Asset Self Certification?

**\$51,600**

What is the current HUD Passbook Rate?

**0.45%**



Sonya has a Savings account with a verified current balance of \$700,000 that pays interest annually of 0.25%

How do we determine the income from this asset?

- A) Impute to determine the income
- B) Calculate the interest
- C) Use the higher of A and B



**Even when the asset or total assets exceed the current asset limitation threshold, only calculate the actual interest income on the asset**







encourager



Meet Becky



CAHEC

Strengthening Communities



Becky has the assets with a cash value listed below:

Checking Account	\$1,000
<del>401K Account</del>	<del>\$75,000</del>
Debit Pay Card	\$1,000
<del>Irrevocable Trust</del>	<del>\$5,000</del>
<del>Term Life Insurance</del>	<del>\$3,500</del>
Cash on Hand	\$3,000

Total Assets Cash Value \$5,000

What is the cash value  
of Becky's Assets?



**Revocable Trust = Access = Included**  
**Irrevocable Trust = No Access = Excluded**



Kendrick has the following assets:

Asset	Cash Value	Interest	
Checking	\$5,000	0.10%	$\$5,000 \times .10\% = \$5$
Cash App	\$100	None	N/A
Real Estate	\$150,000	Unknown	$\$150,000 \times 0.45\% = \$675$

What is the actual asset income? \$5

What is the imputed asset income? \$675

What is the total household asset income? \$680



What were you doing in the 80's?



Stephanie has the following assets:

Checking Account	\$5,000
Savings Account	\$5,000
Chime	\$2,000



What is the total value of the assets?

In the past 12-months, she received a combined state/federal tax refund in the amount \$2,000. How does this her assets/income?

**The Total value of Assets  
is reduced to \$10,000**

- Reduces the total value of Assets for the household
- Does not reduce the value of an individual asset
- Does not reduce the actual asset income
- Does not reduce the impute asset income



## 2025 CAHEC Partners Conference

# THE END

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Questions?

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