

STREAMLINED LEASE ASSISTANCE PROGRAMS – RENT CALCULATION & HARDSHIP EXEMPTIONS FACT SHEET

Rent Calculation Overview

Under the Streamlined Lease Assistance Programs, including the Term-Limited Lease Assistance Program (TLA), the participant household's rent is the greater of:

- Total household's monthly gross income multiplied by the applicable rent percentage (Example calculation for a career-able household: $\$2,000 \times 36\% =$ household's rent share of $\$720$);
- The highest household rent share previously calculated for the household (**baseline rent**); or
- The minimum rent of $\$125$.

The household's rent share may never drop below the highest household rent share even if the household's gross monthly income has decreased unless the household qualifies for a hardship exemption (see below).

For example: The Smith household's baseline rent (highest rent share) is $\$400$. The household's rent percentage is 36% of gross monthly income. The household's current gross monthly income has decreased to $\$1,000$. $\$1,000 \times 36\%$ is $\$360$. The Smith household's rent share will be set at the baseline rent of $\$400$.

Contract Rent Exceeds Payment Standard

The full rent for the unit is called the contract rent. If the contract rent exceeds the payment standard, then the household will be responsible for paying any rent amount exceeding the payment standard. This additional amount is added to the rent calculation described above. The contract rent may exceed the payment standard under the following circumstances:

- The household is living in a unit that is larger than the number of bedrooms on the Family Obligations Agreement (FOA). For example, the household has a 2-bedroom FOA but is living in a 3-bedroom
- If the landlord increases the contract rent between recertifications and the new contract rent exceeds the payment standard used at the last recertification.

Example: The Smith household is eligible for a 2-bedroom but leases a 3-bedroom. The 2-bedroom payment standard is $\$1,900$ and the 3-bedroom rent is $\$2,300$. The $\$400$ difference between the rent and the payment standard is added to the $\$400$ household share, making the household's total rent share $\$800$ per month.

Hardship Exemptions Overview

HACSB does not conduct interim reexaminations of income. If a household experiences an income reduction, the household may apply for a permanent or temporary hardship exemption to the rent calculation policy only under certain circumstances. If the household qualifies for a permanent hardship exemption, HACSB will reset the household's baseline rent by recalculating the household's income and applying the applicable rent percentage.

Example: The Gordon household's total monthly gross income is $\$4,500$. The amount includes the Head of Household's monthly income of $\$2,500$ and her adult daughter's monthly income of $\$2,000$. The Gordon household's rent share is $\$4,500 \times 36\% = \$1,620$. The adult daughter decides to move in with a friend. The Gordon family submits a hardship request to HACSB with verification of their daughter's new residence. HACSB approves a permanent hardship, and the Gordon family's new rent share is calculated based on the Head of Household's monthly income of $\$2,500 \times 36\%$. The new family rent share and new baseline rent is $\$900$.

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The following table outlines the temporary and permanent hardship exemptions eligibility:

Hardship Exemption	Hardship Eligibility
<p>A temporary hardship exemption may be approved for up to six months for the following reasons</p>	<ul style="list-style-type: none"> • Unforeseen involuntary loss of employment; or unforeseen complete loss of income due to major illness. <ul style="list-style-type: none"> ○ The income loss must exceed 30 consecutive days following the date of receipt of the written request. ○ If the approved hardship is due to illness, the exemption period can be extended up to six additional months if the illness is longer than the initial term. • Significant medical expenses over \$2,500 for a single medical event (for elderly or disabled households only). <ul style="list-style-type: none"> ○ The rent percentage will be reduced by 5%. • Unforeseen involuntary loss of income for an adult family member who is attending high school.
<p>A permanent hardship exemption may be approved for the following reasons</p>	<ul style="list-style-type: none"> • The family experiences a death of a household member with income. • Any income-earning member of the assisted family no longer remains in the unit. • An elderly or disabled household member experiences a permanent and complete loss of income. • Unforeseen and involuntary permanent loss of income for a family member under the age of 18.

Permanent hardship exemption requests must be submitted in writing and received by HACSB within 60 days or by the next recertification, whichever is later. Temporary hardship exemption requests must be submitted in writing and received by HACSB within 60 days of the income change. No more than one temporary hardship exemption request within a 12-month period will be accepted. At the end of the temporary hardship period, the family's rent share will revert to the baseline rent.

Here are some examples of income changes that may or may not be approved under HACSB's hardship policy:

Does Not Qualify for Hardship Exemption	May Qualify for Hardship Exemption
<ul style="list-style-type: none"> • Hours, pay, or benefits reduced • Voluntarily quitting job for any reason • Terminated from employment • Temporary placement by a Staffing Agency ended • Unemployment or survivor benefits ended • Leave of absence from work to care for an ill family member • Child support payments stop or are reduced but the child support order remains in place • Inability to pay rent due to bills, such as car payment 	<ul style="list-style-type: none"> • Laid off from work due to company downsizing • A prolonged illness or injury that prevents an employed household member from working • Elderly household member's retirement disbursements end

To request a hardship exemption, contact your assigned Housing Services Specialist. If you need food or other assistance, a list of community resources is available at: <https://hacsb.com/resident-and-community-resources/>