

Ralph M. Perrey, Executive Director



**NEW START PROGRAM GUIDE
REVISION 24**

September 14, 2018

Remove and discard:

Replace with enclosed:

Page 12 (August 2015).....Page 12 (Revised 09/14/18)

EFFECT OF CHANGE

Effective immediately, THDA is increasing the percentage allowed to gross up Social Security payments for the New Start Program. This amount will increase from 15% to 25%.

B. Defining Household

1. Household Includes

A household, for purposes of determining Household Income for a New Start Loan, includes all persons 18 years of age or older who intend to live in the Property, all minors who will live in the Property, and any spouse who is absent or separated, regardless of whether they intend to occupy the Property. Any relative, friend or fiancé who intends to occupy the Property is a household member for purposes of determining Household Income.

2. Separated Applicant

A separated Applicant must be treated as married, and the Applicant, together with the Applicant's separated spouse, must meet all New Start Loan Program requirements. A separation agreement is not sufficient to waive this requirement. The Applicant and the Applicant's separated spouse must sign the Deed of Trust, at a minimum, at loan closing, so that the marital rights of the separated spouse in the Property are encumbered by the Deed of Trust. A separated spouse who will not occupy or take title to the Property must furnish, at a minimum, a current pay stub with verification of hire date and their previous year's Federal Income Tax Return, so that an accurate determination of Household Income can be made.

C. Defining Household Income

The Applicant cannot have, at the time of application or at closing, a Household Income, calculated in accordance with this section, greater than the applicable Household Income Limit shown in Section 1. Household Income includes all income of all Household members and all heads-of-household or spouses who do not live in the Property, except as noted in "Exclusions From Household Income" below.

Household Income is the total annual gross income, earned and unearned, from all sources, before taxes or other deductions, received by the Applicant, all other persons 18 years of age or older and all minors who will live in the Property, and any spouse who is absent or separated, regardless of whether they intend to occupy the Property.

D. Household Income Inclusions

Calculate Household Income for all members of the household and include all full-time, part-time or temporary income:

1. Wages: salary or hourly;
2. Overtime earnings, fees, tips and other compensation for personal services;
3. Bonuses, commissions, vacation pay, shift differential and holiday pay;
4. Social Security payments, SSI etc. can be grossed up 25%;
5. Interest, dividends and other net income of any kind from real or personal Property; (any withdrawal of cash or assets from an investment will be included as income, except to the extent the withdrawal is reimbursement of cash or assets invested by a household member); also, the greater of actual earnings or imputed earnings from liquid assets in excess of \$5,000.00.
6. Periodic, determinable allowances such as alimony, child support and other recurring payments or gifts from persons who will not reside in the Property;