

ELIGIBILITY CERTIFICATION

Property Name: Lynnwood Terrace (Snohomish County)

Unit #: 036

Household Name: Cruz

Number of Bdrms 3 Effective Date 08-31-06
 Current HH Size 5 Original Certification Date 08-31-06
 Previous Yr. HH Size _____ Move-out Date (optional) _____
 (if applicable) _____ Unit Square Footage (opt.) 1150 sq ft

Certification Type:
 Move-in
 Re-Certification
 If Transfer, from
 Unit #: _____

Set-Aside Percentage
Selected (check one):
 80 60 50 45 40 35 30
 Bond Only

INCOME QUALIFICATION

A. Hshold Annual Income from Total: \$36,882.00
B. Actual Asset Income from Total: \$390.00
C. Cash Value of Assets from Total: \$64,870.00
D. Is line C greater than \$4,999? YES NO
E. If **Yes**, multiply line C by 2% or .02: \$1,297.40
F. Enter the **Greater** of line B or line E: \$1,297.40
G. **Household Annual Gross Income:**
 (Line A plus line F) \$38,179.40
H. Maximum Household Income Limit: \$42,050.00
For Re-Certs Only -
 140% of Income Limit: _____
I. Is Household Income-Qualified? YES NO

RENT QUALIFICATION (Tax Credit Properties Only)

A. Utility Allowance: \$125.00 If Household receives Rent Subsidy, enter type here: _____
B. Non-Optional Fees: \$0.00
 (if applicable)
C. Resident Payment: \$850.00
D. **Gross Rent:** \$975.00
 (Total of line A thru line C - **Cannot** exceed amount on line E)
E. Maximum Allowed Rent Limit: \$1,012.00
F. Is Household Rent-Qualified? YES NO
 ("YES" means utility allowance, any applicable non-optional fees, and resident payment do not exceed Max Allowed Rent Limit)

SPECIAL-NEEDS COMMITMENT(S) MET BY HOUSEHOLD

Disabled Farm Worker Homeless
 Elderly Large Household Transitional

Households cannot be counted toward more than one Special-Needs Set-Aside Commitment unless the property is 100% Elderly or 75 to 100% Farmworker; Homeless; or Transitional.

STUDENT STATUS QUALIFICATION

Are all Household members fulltime students?
 YES NO
 If "YES", Enter Student Exception number from List:
 (also attach documentation)

Student Exception List
 1 Married/joint tax return
 2 Single parent w/dependent child
 3 TANF assistance
 4 Job Training Program

Fulltime Student BOND Households can only qualify for the "Married/joint tax return" exception.

INCOME CALCULATION SCENARIO

The Cruz Household consists of five adults, all with income. Amelia Cruz works at the YMCA and earns \$200 per week. John Cruz works at the local church where he is paid \$300 every two weeks.

Sam Jones works as a maintenance person at a nearby school. He is paid \$1,000 each month.

Sally Johnson works part-time at the Thrifty Market where she earns \$5.00 per hour.

Tommy Jones recently retired and is selling his house. Tommy receives monthly social security checks for \$300.

ASSET CALCULATION SCENARIO

Household assets include a checking account, savings account, Money Market (MM) account, stock portfolio, IRA and a house for sale. The checking account has a 6-month average balance of \$1,000 and is non-interest bearing. The savings account has a current value of \$1,000 and a 1% annual rate of return. The MM account also has a current value of \$1,000 and a 3% annual rate of return. None of these three assets have fees to convert the values to cash.

The stock account has 2 stocks with a combined value of \$1,000 with year-to-date (YTD) dividends of \$75 being paid through 6/30/06. A 3% commission would be assessed to sell the 2 stocks. The IRA account has a current value of \$1,000 and YTD dividends of \$100 also paid through 6/30/06. The prospective resident is under age 59 ½; consequently, a 10% penalty would be assessed if the account value was converted to cash.

The household has a residence listed for \$100,000 with a real estate agent. Management has obtained a copy of the listing agreement from the agent supporting the listed price. There is an outstanding mortgage of \$30,000 on the property which the on-site manager has also verified by obtaining a current mortgage statement. Other expenses and commissions to complete the sale are estimated at 10% of the value of the property (commission rule-of-thumb).

If the house is already sold, management could obtain a copy of the HUD-1 settlement statement which in this scenario would have shown net proceeds to seller of \$60,000.