

40% Affordability for “Zero” Income and/or “Mixed” Families at Initial Lease up:

The 40% rule only applies in situations where the Gross Rent exceeds the applicable Payment Standard. For example, PHA’s one-bedroom PS is \$1,766. Applicants with “zero” income or a “mixed” family with little or without income may find a unit for up to \$1,650, including the utility allowances which will be \$116. In this case, the gross rent ($\$1,650 + \$116 = \$1,766$) does not exceed the PS of \$1,766.

If gross rent exceeds the PS, PHA would need to compare the family share (Form 50058: 12t or 12ag for mixed families) to the Adjusted Monthly Income. In this case, PHA would use the 40% Estimate Worksheet.