SRF Guidance Document Number 11
Median Household Income Determination

Median Household Income (MHI) is used to determine interest rates, loan terms, and principal forgiveness for loans to municipal and private non-profit applicants. The procedure for establishing MHI is outlined in 24 VSA Chapter 120 section 4763c(f). The primary method for determining the MHI is through use of the American Communities Survey (ACS) and is applied to private non-profit and municipal applicants. As outlined in the annual Intended Use Plan, MHI associated with all loans funded from that year's IUP shall be from the ACS data available on the day that year's IUP is accepted. For forgiveness associated with planning loans, the most up-to-date MHI data available on the day the initial signed loan application is submitted will be the MHI associated with that loan.

At the discretion of the applicant, an income survey may be performed in lieu of the ACS to establish MHI. MHI shall be based on recommendations of an independent contractor hired by the applicant and approved by the Secretary. The determination of the Secretary shall be final.

The following summarizes the allowable procedures for conducting and approving income surveys and the requisite record keeping.

The following guidance shall be used:

A. Survey Organization
   (1) Prior approval of the contractor is required. Exceptions must be justified by the applicant and approved by the SRF Project Lead.
   (2) Organizations routinely conducting such surveys may be given a blanket approval to conduct such surveys.
   (3) SRF Project Lead will be responsible for reviewing and approving organizations.
B. Survey Procedures
   (1) Survey procedure must be approved (advance approval is strongly recommended).
   (2) The survey procedure submittal shall include as a minimum:
      (a) A copy of the survey form
      (b) The method used to distribute form
      (c) The method used to identify the appropriate surveyee
      (d) The time allowed for surveyee to return the form
      (e) The method used to collect the forms (who collects them and how)
      (f) Follow-up procedures when forms are not returned
   (3) Organizations routinely conducting surveys may be given a blanket approval of procedure and only required to submit significant changes in standard procedure for review.
   (4) SRF Project Lead will be responsible for reviewing and approving procedures.
C. Acceptable Survey Response

(1) Standard Survey Response Requirement

(a) < 55 households	90%
(b) 56 - 63 households	87%
(c) 64 - 70 households	85%
(d) 71 - 77 households	84%
(e) 78 - 99 households	80%
(f) 100 - 115 households	78%
(g) 116 - 153 households	72%
(h) 154 - 180 households	69%
(i) 181 - 238 households	67%
(j) 239 - 308 households	57%
(k) 309 - 398 households	50%
(l) 399 - 650 households	38%
(m) 651 - 1200 households	25%
(n) 1201 - 2700 households	13%
(o) > 2701 households	10%

(2) A percentage less than the standard may be allowed in unusual circumstances. Generally, it must be demonstrated that it would be highly unlikely that additional surveys would significantly change the survey result.

D. Survey Results Submittal
- (1) Must be submitted to FED by the independent contractor
- (2) Submittal must include:
  - (a) Number of households in survey population
  - (b) Number of responses
  - (c) Dates of survey form distribution
  - (d) Date survey considered complete
  - (e) Median household income determination
  - (f) Description of the geographic area surveyed (a map may be appropriate)
  - (g) Statement that the survey forms will be maintained for a minimum of five years
  - (h) Certification of the accuracy of the information provided
  - (i) Attachment which lists the household incomes of the respondents in ascending or descending order (households should not be identified in any way)

E. Survey Approval
- (1) The SRF Project Lead will be responsible for reviewing and approving survey results. Survey acceptance will be communicated by email to the applicant with copy to contractor
- (2) Income surveys are valid for 2 years. After 2 years:
  - (a) The applicant may use the prevailing ACS data, or
  - (b) The income survey may be inflated by 4% starting the third year after the survey is completed
  - (c) After five (5) years, the community must conduct another income survey or revert to the American Communities Survey MHI data.

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Last revised 6/4/2019