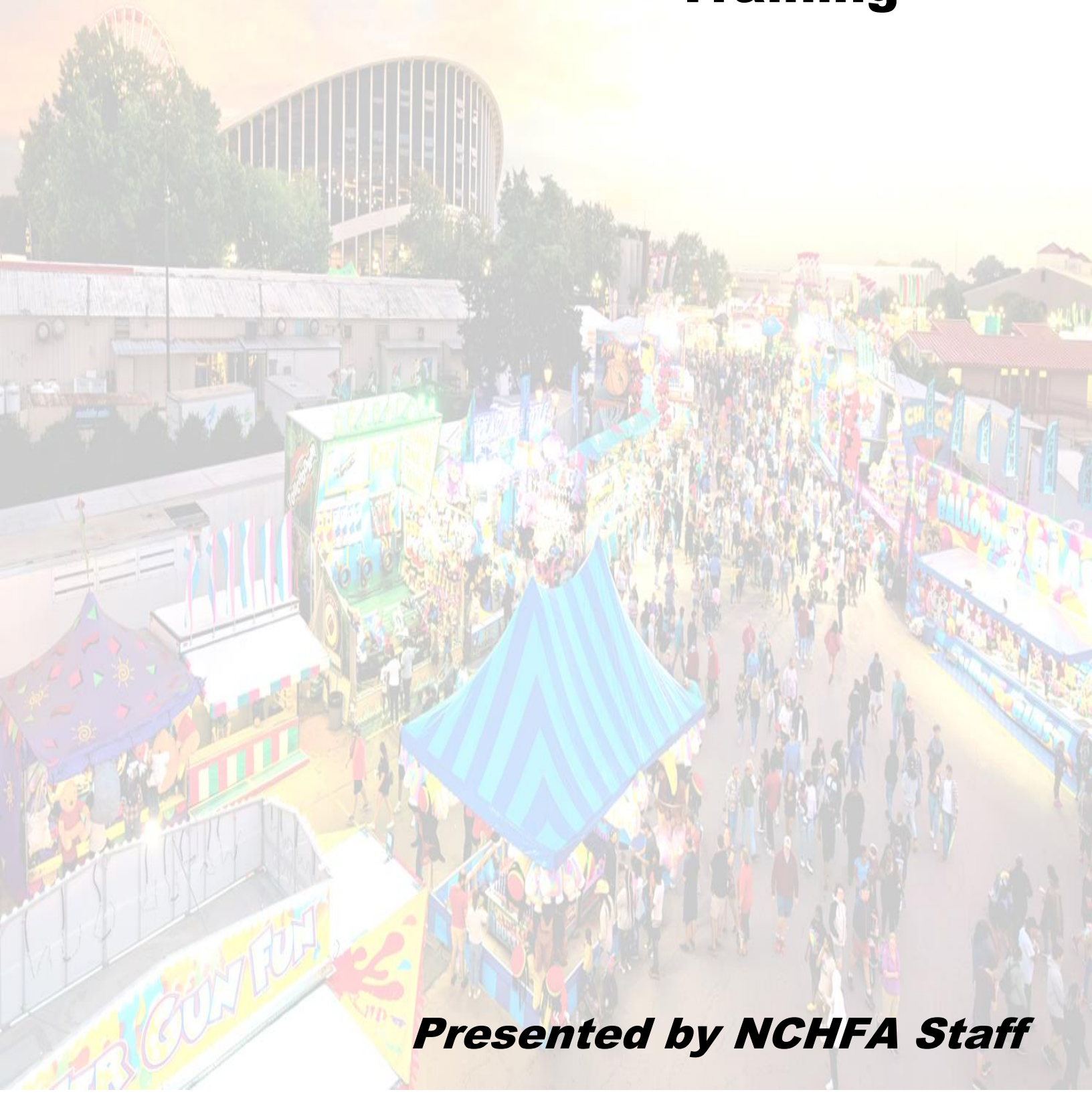




**NORTH  
CAROLINA  
HOUSING**  
FINANCE AGENCY

# **2025 Advanced Compliance Training**



***Presented by NCHFA Staff***

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**Income Averaging**



**Physical Address:**  
 3508 Bush Street  
 Raleigh, NC 27609-7509

**Web Site:**  
[www.nchfa.com](http://www.nchfa.com)

**Asset Management Contact List**

**Main Agency Telephone Number** (919) 877-5700  
**Rental Investment Business Group Fax Number** (919) 877-5701  
**Sandy Harris, Director of Rental Programs, ssharris@nchfa.com** (919)877-5649  
**Susan Westbrook, Manager of Rental Assets, sewestbrook@nchfa.com** (919) 877-5647

**Asset Management and Compliance Teams:**

If you have a general or specific question regarding tax credits or an RPP funded property, contact any of the following:

<b>Tanya Burnett Clark,</b> Team Leader	<b>tbclark@nchfa.com</b>	<b>(919) 877-5665</b>
<b>Lisa Alston</b>	<b>lnalston@nchfa.com</b>	<b>(919) 877-5669</b>
<b>Chad Bixler</b>	<b>cebixler@nchfa.com</b>	<b>(919) 500-5242</b>
<b>Tammy Douglas</b>	<b>tgdouglas@nchfa.com</b>	<b>(919) 877-5654</b>
<b>Chelsea Isaksen</b>	<b>ckisaksen@nchfa.com</b>	<b>(919) 480-8786</b>
<b>Melissa Keller</b>	<b>mdkeller@nchfa.com</b>	<b>(919) 480-8970</b>
<b>Kim Scott</b>	<b>kascott@nchfa.com</b>	<b>(919) 578-3492</b>
<b>Krista Zimmer</b>	<b>klzimmer@nchfa.com</b>	<b>(919) 480-8947</b>
<b>Sandy Harris</b> Director of Rental Programs	<b>ssharris@nchfa.com</b>	<b>(919) 877-5649</b>
<b>Amy Barnes</b>	<b>aebarnes@nchfa.com</b>	<b>(919) 850-2869</b>
<b>Susan Caulder</b>	<b>sccaulder@nchfa.com</b>	<b>(919) 981-2641</b>
<b>Louise Gardner</b>	<b>rlgardner@nchfa.com</b>	<b>(919) 877-5663</b>
<b>Heidi Holt</b>	<b>htholt@nchfa.com</b>	<b>(919) 480-2877</b>
<b>Steven James</b>	<b>spjames@nchfa.com</b>	<b>(919) 981-2654</b>
<b>Randa McCauley</b>	<b>rjmccauley@nchfa.com</b>	<b>(919) 981-2691</b>
<b>Dorian Minters</b>	<b>dlminters@nchfa.com</b>	<b>(919) 981-4470</b>
<b>Deborah Simmons</b>	<b>dlsimmons@nchfa.com</b>	<b>(919) 981-4471</b>

If you have a question about the online reporting system (RCRS), contact:  
**Tanya Clark** tbclark@nchfa.com (919) 877-5665

If you have a question about Annual Owner Certifications (AOC), contact:  
**Tanya Clark** tbclark@nchfa.com (919) 877-5665

If you have questions on RPP rent increases or reserve withdrawals, contact:  
**Randa McCauley** rjmccauley@nchfa.com (919) 981-2691

If you have general questions about audited financial statements, contact:  
**Sandy Harris** ssharris@nchfa.com (919) 877-5649

If you have a question about utility allowances, contact:  
**Tammy Douglas** tgdouglas@nchfa.com (919) 877-5654

If you have a question about the KEY Program payments, contact:  
**Louise Gardner** rlgardner@nchfa.com (919) 877-5663

If you have questions about our training requirements, training workshops or workshop schedules, contact:  
**Steven James** spjames@nchfa.com (919) 981-2654

If you have questions about our training workshop registration, contact:  
**Gianna Hargrove-Fletcher** gmhargrovefletcher@nchfa.com (919) 578-3529

If you have a general or specific question about a Supportive Housing property or shelter, contact:  
**Susan Caulder** sccaulder@nchfa.com (919) 981-2641

If you have general questions about physical inspections, contact:  
**Sandy Harris** ssharris@nchfa.com (919) 877-5649





# 2025 Advanced Compliance Training

**Presented by the NCHFA Training Team**

Sandy Harris, Supervisor – Director of Rental Assets  
[ssharris@nchfa.com](mailto:ssharris@nchfa.com)

Steven James, Senior Compliance Monitor  
[spjames@nchfa.com](mailto:spjames@nchfa.com)

Krista Zimmer, Compliance Monitor  
[klzimmer@nchfa.com](mailto:klzimmer@nchfa.com)



HousingBuildsNC.com




## Joining Us Virtually?

- Prior to the beginning of the training, technical difficulties, please call 919.515.2277
- During the training, technical difficulties, please use the Q & A Box
- If you have compliance questions about the topic or in general, please use the Chat Box
- After training, if you have compliance questions, you may email [rentaltrainings@nchfa.com](mailto:rentaltrainings@nchfa.com)
- Be sure you accessed the training using the name and email that you were registered with to receive credit for attending
- You must attend the entire training in order to receive credit – virtual attendance is tracked
- Closed caption is available for those who need this service provided



HousingBuildsNC.com






# When will I get my certificate?

## Survey

- 1 Surveys will be mailed out within 5 business days of training
- 2 After completing the survey, you will receive your certificate
- 3 The survey will be emailed to the email address used to register
- 4 There is a separate survey and certificate for each course



**NORTH CAROLINA HOUSING FINANCE AGENCY**

### Certificate of Participation

**Awarded to Casey the Mascot**

The above-named person has successfully completed the course denoted below and has qualified for six (6) classroom hours during the 2025 calendar year

**Susan Westbrook**  
Manager of Rental Assets

**2025 Compliance 101**  
In-Person Training

North Carolina Housing Finance  
3508 Bush Street, Raleigh NC 27609



**Before emailing that you did not receive your survey email... check you junk/spam/delete folder!**



**Important updates**



# NEW!



[rentaltrainings@nchfa.com](mailto:rentaltrainings@nchfa.com)

used for both questions during training and general compliance questions

[compliancehelp@nchfa.com](mailto:compliancehelp@nchfa.com)

used for RCRS questions/issues only



Contact Us!

2025



## Annual Owner Certification Due Annually on February 10th

### Reminders:

- Failure to submit timely may result in noncompliance
- Read/Understand each question on the certification
- Review Property Activity Report to ensure RCRS is up-to-date
- Have a plan to ensure the certification is completed timely
- Include in the upload any clarification that would prevent the submitted certification from not being approved



If you have any questions, please contact  
Tanya Clark at 919-877-5665 or [tbclark@nchfa.com](mailto:tbclark@nchfa.com)





# NCHFA HOTMA Delayed

## New Effective Date: 7/1/2025



- After careful consideration, the Agency has decided to delay implementing HOTMA for properties in our portfolio until **7/1/2025**
- This will correspond with the implementation date imposed by HUD and RD
- The Rental Compliance Reporting System (RCRS) will be updated in time to allow for 1/1/2025 implementation date, as discussed in training
- Therefore if you are ready to move forward in January, please do so
- Major difference triggered by the change: All income certifications with an EFFECTIVE date of 7/1/2025 will be required to be HOTMA-compliant. (If we had implemented in January, we would go by signature date instead of effective date.)
- We have updated our forms with the most recent guidance
- The updated policy and forms will be available on our website



*An email blast was sent out and announcement posted in RCRS on the RCRS Home Screen under Announcements on 11/27/2024*



## Major Announcement: RCRS UPDATE

### NAHMA versions 6, 7 and 8 are now supported in RCRS

As of 2/6/2025, companies may now transmit unit events from third-party software using NAHMA upload version 6, 7 or 8

Additional details will follow, including when versions 6 and 7 will be retired

Please contact [compliancehelp@nchfa.com](mailto:compliancehelp@nchfa.com) if you encounter glitches with RCRS or the upload process

**Note:** We have corrected the upload process to 'skip' unit events entered earlier

- Please go ahead and manually enter unit events with Key assistance as soon as they are complete, since these events require independent review and approval
- When you do the upload for the month, RCRS will skip any unit events that have been previously entered, and it will accept all unit events not previously entered, as well as those indicated as a "correction"







### 2025 HUD Inflation-Adjusted Values (Table 1): Effective January 1, 2025

**Imputed Asset Income Threshold**

- 2025 - \$51,600 (2024 - \$50,000)

**Non-Necessary Personal Property Inclusion Threshold**

- 2025 - \$51,600 (2024 - \$50,000)

**Asset Self-Certification Threshold (Under \$50k Form)**

- (will require a form update)
- 2025 - \$51,600 (2024 - \$50,000)

**Earned Income Exclusion for Deponent Adult Full-Time Students**

- 2025 - \$480 (Unchanged)

**Adoption Assistance Exclusion**

- 2025 - \$480 (Unchanged)

**HUD Passbook Rate**

- 2025 - 0.45% (2024 - 0.4%)

**NCHFA Policy**  
Effective 7/1/2025 when HOTMA is implemented



<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>



# NCHFA Asset Management Compliance Manual

- Updated April 2024
- Includes HOTMA Updates
- Includes NSPIRE/State Noncompliance Updates
- Includes forms updates and MORE
- Future updates may/will be necessary as regulations and policies changes



[www.nchfa.com](http://www.nchfa.com)

Rental Housing Partners > Rental Owners & Managers > Policies, Resources & Forms > Compliance Manual



# Please be patient with our staff as we learn to use our new inspection software

*Thank You!*

Continuing with 2025 inspections, we are using tablets and with a updated inspection software to improve the inspection process

- Paperless inspections
- Inspections conducted with consistency with monitoring staff
- Ability to email a inspection report after completing the inspection
- And more!



## Rent Increases Before the 8609s Are Issued

- All tax credit deals must have Agency approval until the 8609s have been issued
- When do we discover this has not been done?
  - When Development Staff is Reviewing the Final Cost Certification



# consequence



# Rents & Lease-Ups

- Ensure rents are updated in RCRS before you start a Lease-up
- If the property opens with rents that are too low, this will cause cash flow issues throughout the life of the property



**IMPORTANT**



## Rent Increase Requirement 2025 Allocations and Going Forward

Regardless of funding Type  
Agency Approval Required

Included in the 2025 QAP



**NEW  
REQUIREMENTS**





# Key Payment Standards Increase

## Effective January 1, 2025

- Following a thorough analysis of how to ensure equitable Key payment standards across the state, the Agency will assign properties to one of four tiers of Key payment standards
- The tiers were determined by grouping counties with similar rent limits
- Based on LIHTC income and rent limits effective April 1, 2024
  - The following counties will be moving from Tier 1 to Tier 2 (Buncombe, Camden, Carteret, Dare, Granville, Henderson, Iredell, Lincoln, Madison, Pender and Watauga)
  - The following counties will be moving from Tier 2 to Tier 3 (Moore and New Hanover).
- The worksheets are available on our website



[www.nchfa.com](http://www.nchfa.com)

Rental Housing Partners > Rental Owners & Managers > Policies, Resources & Forms > Resident Files > Targeting Program



## Updated Key Calculation Worksheets

### Targeting Program

[Key Calculation Worksheet—Tier 1](#) (expires after 12/31/24 for all counties not listed on any other worksheets)

[Key Calculation Worksheet—Tier 2](#) (expires after 12/31/24 for Brunswick, Moore and New Hanover)

[Key Calculation Worksheet—Tier 3](#) (expires after 12/31/24 for Currituck, Cabarrus, Chatham, Durham, Gaston, Mecklenburg, Orange and Union)

[Key Calculation Worksheet—Tier 4](#) (expires after 12/31/24 for Franklin, Johnston and Wake)

### [Key Lease Addendum](#)

[Key Calculation Worksheet—Tier 1](#) (effective 1/1/2025 for all counties not listed on any other worksheets)

[Key Calculation Worksheet—Tier 2](#) (effective 1/1/25 for Buncombe, Brunswick, Camden, Carteret, Dare, Granville, Henderson, Iredell, Lincoln, Madison, Pender and Watauga)

[Key Calculation Worksheet—Tier 3](#) (effective 1/1/25 for Currituck, Cabarrus, Chatham, Durham, Gaston, Mecklenburg, Moore, New Hanover, Orange and Union)

[Key Calculation Worksheet—Tier 4](#) (effective 1/1/25 for Franklin, Johnston and Wake)



[www.nchfa.com](http://www.nchfa.com)

Rental Housing Partners > Rental Owners & Managers > Policies, Resources & Forms > Resident Files > Targeting Program



# Key Payment Standards Increase

## Effective January 1, 2025 - Reminders

- The system will automatically pick up the new payment amount for January 1, 2025 when management submits the request on or after December 1, 2024. Management will not need to enter Updates or make changes in RCRS for this to occur
- For move-ins on or before January 1, 2025, management should be using the existing Key calculation worksheet
- For move-ins on or after January 1, 2025, management should be using the new worksheet based on the Tier assigned to the property
- For recerts or update events NOT submitted to NCHFA but signed on or after December 1, 2024, management should use the new calculation worksheets available on our website
- For any recert or update effective 3/1/2025 or later, there should be no exceptions to using the updated forms because the new calculation form will be published 120+ prior to this date



If you have any questions, please contact  
Louise Gardner at 919-877-5663 or [rlgardner@nchfa.com](mailto:rlgardner@nchfa.com)



## NCHFA & USDA Effective Dates

**Households in RD properties with an RD move-in effective date of January 1st will need to perform a recertification in the actual month of the move in**

- For example: Tenant moves in December 26th, with an RD effective date of January 1. The RCRS effective date should be December 26th for the move-in, not January 1
  - The annual recertification should be effective on December 1st (or no later than December 26th) instead of January 1st
  - Future recerts for this household will be on December 1st because the full recert on December 1st changes the anniversary date



- ✓ *Interim recerts for HUD properties do NOT change the anniversary date, because only the information that changed is verified*
- ✓ *RD requires all data to be verified at any recert, so this starts the clock over*



# Updating RCRS Contacts Requirements

- Each Management Company has a RCRS Administrator who can assign contacts, roles, tags and re-set user passwords
- Ensure that Management and Owner contacts in RCRS are current for each property in the portfolio
- Ensure that contact roles are updated for each property as staff changes occur
  - Physical Inspection Contact
  - File Review Contact
  - Key Contact
  - Primary Compliance Contact
  - Project Specific Contact
  - On-Site Contact – If not updated state noncompliance will be issued
  - Operations Contact
  - Financial Contact



*If additional assistance is needed*  
Email [compliancehelp@nchfa.com](mailto:compliancehelp@nchfa.com)



## Submitting Documents



**Upload In  
RCRS Only**



- Do Not**
- **Email to Staff**
  - **Use Drop Box**

File Audits  
Utility Allowances  
Tenant Selection Plans  
File/Inspection Responses  
Targeting Documents/Forms  
Rent Increases/Reserve Request

A computer monitor displaying a list of document types that should be uploaded to RCRS.



**Approved Management Companies**

## REPORT CARDS NOW AVAILABLE!

**Management Company Report Cards**

Tax Credit Experience	A+
Valid Real Estate License & Registered with the NC Dept of Commerce	A+
Key Program Compliance	A+
RCRS Timely Updates	A+
Training Requirement	A+
Tax Credit Designation	A+
No Uncorrected Noncompliance	A+

**ADMIT ONE**

**NORTH CAROLINA HOUSING FINANCE AGENCY**  
HousingBuildsNC.com

## Approved Management Company Report Card

**Must have at least one similar project in their portfolio**

- for example, to manage a new LIHTC property, the company must currently be managing a property in the IRS Compliance Period
- the property does not have to be in North Carolina

**Must have a valid North Carolina Real Estate License and be registered as a business with the North Carolina Secretary of State**

- if the management company feels it is not required to have a North Carolina Real Estate License, an attorney opinion letter must be provided stating this



***NCHF Staff monitor the North Carolina Real Estate and North Carolina Secretary of State's website annually***



## Approved Management Company Report Card

### Requesting Key assistance timely and accurately (if applicable)

- **Timely Payments:** Reviewed quarterly. Payment request are anticipated monthly, and the laps between payments must be less than 90-days to be considered timely
- **Requesting Vacancies:** Random sampling quarterly to compare move-out date in RCRS to date of vacancy report in V&R. The vacancy must be reported within 8 **calendar** days to be considered timely.
- **Reporting in V&R Timely:** Periodic random sampling of vacancies/referrals provided

**Quarterly Reports are emailed to Management Companies with issues**



If you have any questions, please contact  
Louise Gardner at 919-877-5663 or [rlgardner@nchfa.com](mailto:rlgardner@nchfa.com)



## Approved Management Company Report Card

### Reporting in the Agency's Rental Compliance Reporting System (RCRS) timely and accurately (if applicable)

- Allowable percentage: 85%
- This is an activity management must track

### At least one staff person in a supervisory capacity has attended at least three Agency sponsored trainings within the calendar year

- Compliance 101 Training
- Advanced Compliance Training
- Targeting and Key Training
- August/September annually, reminder emails are sent to Management Companies not meeting the requirement



If you have any training requirement questions, please contact  
Steven James at [spjames@nchfa.com](mailto:spjames@nchfa.com)



# Approved Management Company Report Card

At least one staff person serving in a supervisor capacity has been certified with one of the tax credit compliance designation recognized in the Appendix C of the current Qualified Allocation Plan (QAP)

- Grandfathered if currently on Approved list.
- This is presumed not to have changed, so there is no need to verify, however, random sampling ensuring the requirement is met may be solicited at the discretion of the Agency

No project in the Management Companies portfolio with material or uncorrected noncompliance beyond the cure period, unless there is a plan of action to address the issue(s) approved by the Agency

- Management must complete Compliance Resolutions Packet (CRP) in RCRS to address uncorrected noncompliance



**Uncorrected Noncompliance**  
*Management Must Track*



# Approved Management Company Report Card

Implementing a rent increase on an existing property without the Agency approval, if pre-approval of rent increases is required

- There is no correction for this issue
- Rent increase implemented without approval as POST APPROVAL via RCRS or file reviews
- Note the change for rent increases for 2025 allocations of all funding types
- Rent increases is covered in detail during the Advanced Compliance Training



**Continue to be in the spotlight!**



If you have any questions about rent increases, please contact Randa McCauley at [rjmccauley@nchfa.com](mailto:rjmccauley@nchfa.com)



# Approved Management Company Report Card Interim Progress Reminders

## When the Interim Progress Reminders (if applicable) are received

- Follow-up with us
  - Late submissions due to Evictions
  - Residents not cooperating with recertifications
  - Change in management company/issues
  - Any other issues we need to be aware of
  - Ask questions
  - Do not wait until the end of the year

## Who receives the Interim Progress Reminders and the Report Card

- Authorized Official from Ownership Entity
- Operations Contact from the Management company



**Keep contacts updated in RCRS  
for all the properties in your portfolio**



# Initial Certifications in RCRS Resyndication (most common)

- When an existing TC property gets a new allocation of credits, Management is asked to qualify the existing tenants by performing a full recertification
- This should be called an Initial Certification (IC), because it sets a new baseline qualification for the household under the new TC allocation
- Because the system previously didn't allow ICs, management handled as a MO/MI or they simply called the event a recertification
- Now properties that get a new allocation of credits will be able to correctly classify the event as an IC

NOTE: If the existing TC property is still in extended use, any existing tenants are grandfathered under the original allocation if over income as of the IC

- It is becoming increasingly popular to allow the extended use period to end before seeking a new TC allocation. If the extended use period has ended, or if there was never a TC allocation in the past, existing tenants are NOT grandfathered, regardless of whether they qualified previously or not



**RCRS Update Will be available  
the beginning of March 2025**





# Initial Certifications in RCRS

## New Household is Formed

The other time it is appropriate for there to an IC is when all original Household members move out, leaving only members who were added after the initial move-in.

- The newly formed Household must qualify as if they were a new move-in, but this can be called an Initial Cert.

For example, Casey the Mascot moves into Fair Grounds Apartments on 6/1/2022 and he is the only Household member. On 9/1/2023, his friend Ms. Wulf moves in with him, which is fine regardless of income level. On 1/15/2025, Casey decides to move out, but Ms. Wulf wants to stay in the unit. There needs to be an IC effective 1/15/2025 to document that Ms. Wulf is an eligible Household. If Ms. Wulf is not eligible as a new Household on this date, she must be required to vacate when Casey leaves. She is not protected since he wasn't part of the original household.



**RCRS Update Will be available the beginning of March 2025**



# Online Video Clips

Search *Check back often for added content!*

**Asset Management**  
North Carolina Housing Finance Agency  
14 videos · Last updated on Apr 21, 2022

1 **Get the Facts On Fair Housing** North Carolina Housing Finance Agency (7:08)

2 **Targeting Program and Key Rental Assistance 101** North Carolina Housing Finance Agency (3:54)

3 **LANDLORD TCLV Overview** North Carolina Housing Finance Agency (3:07)

4 **RCRS Manage User Account Instructions** North Carolina Housing Finance Agency (10:03)

5 **RCRS Annual Owner Certification Instructions** North Carolina Housing Finance Agency (9:57)

6 **RCRS Compliance Resolution Packet Instructions** North Carolina Housing Finance Agency (5:00)

Vacancy and Referral Training

**YouTube**



**Available on our YouTube Playlist**



# Primary Documents

What do your documents tell you about your fair community?



**NCHFA Rental Asset Management Compliance Fair**



# Tax Credit Legal Documents



**Affordable To Occupied By**



**RENT Restricted  
INCOME Restricted**

## Declaration of Land Use Restrictive Covenants

**Land Use Restriction Agreement (LURA)**

**Extended Use Agreement (EUA)**



## SECTION 4 - INCOME AND RENT RESTRICTIONS

The Owner represents, warrants and covenants to the NCTRAC throughout the term of this Agreement and in order to satisfy the requirements of the occupancy restrictions of Section 42 of the Code ("Section 42 Restrictions") that:

- (a) **Minimum Set-Aside:** At least forty percent (40%) or more of the residential units in the Project are **both rent-restricted and occupied** (or if unoccupied, held for occupancy only) by individuals whose income is sixty percent (60%) or less of area median gross income (subject to any exceptions permitted under Section 42 of the Code for tenants whose income increases after initially meeting such restriction).
- (b) **Non-profit set-aside:** no applicable requirements
- (c) The applicable fraction as defined in Section 42(c)(1)(B) of the Code for each taxable year of the Extended Use Period will be no less than one hundred percent (100%).
- (d) Except as may be otherwise provided under Section 42 of the Code or by the Internal Revenue Service, the determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.

## SECTION 5 - STATE HOUSING POLICY RESTRICTIONS

The Owner represents, warrants and covenants that it will satisfy the requirements indicated below (the "State Housing Policy Restrictions") throughout the term of this Agreement:

**Qualified Allocation Plan:** The project is in a High Income County pursuant to the QAP.

At least twenty-five percent (25%) of qualified units are **affordable to and occupied by** households with incomes at or below thirty percent (30%) of county median income.



**Example**  
**Declaration of Land Use Restrictive Covenants**

# Agency Loan Documents

## The Commitment Letter

- Description of the property
- Original requirements at the time of the owner's application

## Loan Agreement

- Description of the property
- Reserve account requirements
- Financial audit requirements
- Insurance requirements

## Declaration of Deed Restrictions

## Deed of Trust

- Description of the property
- Property tax requirements



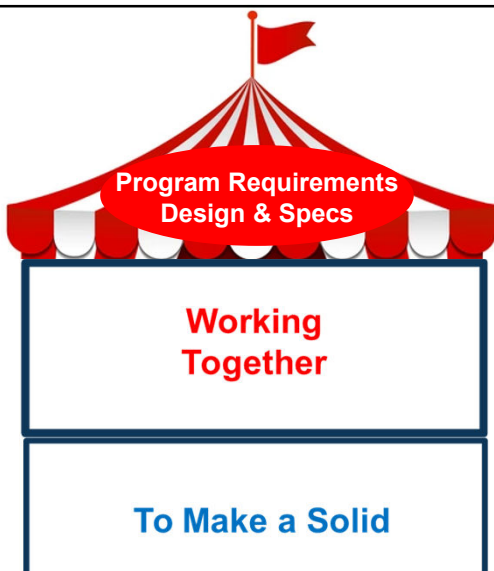


# Deed Restrictions

- ❖ Description of the property
- ❖ Length of compliance period
- ❖ Compliance monitoring requirements
- ❖ Income targeting
- ❖ Initially approved rents
- ❖ Requirements for written approval for rent increases
- ❖ Program requirements
- ❖ Fair Housing requirements
- ❖ Affirmative marketing requirements



Underwriting...  
aka  
Construction

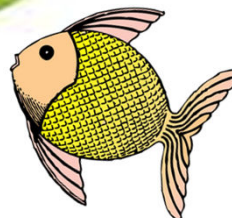


A solid foundation for your community





# Introducing...



Fair Village  
Apartments

## SECTION 4 - INCOME AND RENT RESTRICTIONS

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- (b) **Rental Production Program:** At least forty percent (40%) of the units are **occupied by** households with incomes less than fifty percent (50%) of median income.
- (c) **Non-profit set-aside:** The Credit was allocated pursuant to Section 42(h)(5) of the Code.
- (d) The applicable fraction as defined in Section 42(c)(1)(B) of the Code for each taxable year of the Extended Use Period will be no less than one hundred percent (100%).
- (e) Except as may be otherwise provided under Section 42 of the Code or by the Internal Revenue Service, the determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.



## Income & Rent Restrictions



## SECTION 5 – STATE HOUSING POLICY RESTRICTIONS

The Owner represents, warrants and covenants that it will satisfy the requirements indicated below (the “State Housing Policy Restrictions”) throughout the term of this Agreement:

(a) **State Housing Credit:** The project is in a High Income County pursuant to the QAP.

At least twenty-five percent (25%) of qualified units are **affordable to** households with incomes at or below thirty percent (30%) of county median income.

(b) **Qualified Allocation Plan:** The project is in a High Income County pursuant to the QAP.

At least twenty-five percent (25%) of qualified units are **affordable to and occupied by** households with incomes at or below thirty percent (30%) of county median income.



## State Housing Policy Restrictions



## Following the restrictions to make your compliance experience fun



60% Rent



60% Income



# Following and Implementing the Compliance Fair Plans for Typical Loan Requirements



**NCHFA Rental Asset Management  
Compliance Fair**



## Who Needs Rent Increase Approval

All properties with active Agency loans are required to gain prior approval for all proposed rent increases

- If the Agency loan has been paid off early, the Agency still requires approval of rent increases until the affordability period has ended
- Initial rent structures must be entered into RCRS before any rent increases can be submitted for review
- Management enters the final rents from the development stage into RCRS as the initial rent structure once the permanent financing has been completed
- **State Tax Credits allocated 2024 and going forward require NCHFA Approval**



### Reminder

2025 Allocations and going forward require NCHFA approval, regardless of funding sources





# Funding Types Requiring Rent Increase Approval

- ISHP (Integrated Supportive Housing Program)
- TCAP Loans
- RPP Loans (HOME, HTF, NHTF)
- PLP Loans (HOME, HTF)
- SHP Loans (HOME, HTF, NHTF)
- State Tax Credits (2024 allocations & going forward)



## NOTE

Always refer to property specific loan documents if clarification is needed



# Rent Increase Policy Reminders

- Rent increase of \$25 or less: no additional justification needed regardless of DCR/cash
- Rent increase of more than \$25 AND the property exceeds a DCR of 1.15 (or cash flow of \$750/unit) with the proposed budget, additional justification needed
- If the proposed budget is significantly different than previous years audited financials, justification will needed
- Increase of more than \$50 is approved, no more than \$50 can be passed along to in place unassisted tenants per year (with or without justification)



## Reminder

Even if the rent increase is \$25 or less, the increase must be submitted in RCRS for approval





# Rent Increase Reminders (cont.)

- Proposed budget is compared to the actual expenses
- Documented in the most recent audited financial
- Fees being paid to the investor not allowed (i.e. asset management fees, syndicator service fee, etc.) even though this is a cost of doing business
- If line items are significantly different in proposed budget versus actual, we may ask for further justification
- Standard vacancy rate of 7% regardless of actual vacancy rate

## Cashflow Requirements:

- After adjustments are made, 1.15 debt coverage ratio
- If the debt coverage ratio is more than 1.15, then look at projected cash flow
  - ✓ When cash flow is less than \$750 per unit per year (PUPY), we may approve the increase
  - ✓ When cash flow is more than \$750 PUPY, we will either decrease or deny the increase



### Debt Service Coverage Ratio

$$\text{Debt Service Coverage Ratio} = \frac{\text{Operating Income}}{\text{Total Debt Service Costs}}$$



# Failure to get required approval...

Implementing rent increases without Agency approval will result in management/ownership not in good standing with the Agency and noncompliance for the project

- Will show up on the Management Company Report Card



# Properties with HUD/RD Approved Rents

- If rents approved by HUD/RD approval **AND** Agency approval required
- Follow steps to enter approved rents annually
- Ensure rents and UA's match those on approval letter
- Ensure effective date matches the approval letter
- Forward approval letter to Randa McCauley @ [rjmccauley@nchfa.com](mailto:rjmccauley@nchfa.com)



**NORTH CAROLINA HOUSING**  
FINANCE AGENCY



## Winning Rent Increase Request Don't Include...

**Utility Allowance (UA) has not been updated (already expired, or will be more than 9 months old by the effective date of the rent increase)**



**Effective date not a minimum of 30 days from the submission (or re-submission date)**

**Asking for a large increase – not justified by the budget and/or audited financials**

**UA used in rent increase is not the most recently approved UA**

**Asking for more than one increase in a 12-month period**



# Need additional help with rent increases?

here  
to  
help

**Randa McCauley**

[rjmccauley@nchfa.com](mailto:rjmccauley@nchfa.com) – (919) 981-2691



**Information**



## Reserve Request

- There are two types of reserve accounts required
  - ✓ Replacement Reserves
  - ✓ Operating Reserves
- All properties with an active Agency loan are required to gain prior approval before withdrawing funds from reserve accounts
- The required deposits for both account types will be found in the loan documents for the property
- All requests to withdraw funds are submitted via RCRS
- If reserve accounts are underfunded, we may deny future requests until the accounts are funded properly



**Replacement  
Reserves**

**Operating  
Reserves**



# Failure to get approval before withdrawals...

Withdrawing monies from either reserve account without Agency approval may result in management/ownership not in good standing with the Agency and noncompliance for the project



# FATALITY



## Rent-up Reserves

- Used for initial operating costs during lease up
- Withdrawals do not need Agency approval
- When loan converts, excess funds must be transferred to replacement reserves

## Replacement Reserves

- Used for capital improvements and replacement items (not repairs)
- Monthly deposits are made
- If requesting for reimbursement of expenses, management must provide actual invoices
- If requesting for prior approval, management must provide two to three comparable bids
- Include in the request
  - ✓ Most recent bank statement
  - ✓ Trial Balance
  - ✓ Invoices (or bids)



## CAPITAL IMPROVEMENTS





# Replacement Requirements

- Typically NCHFA require \$250 per unit per year for new construction and \$350 (PUPY) for rehabs, with deposits escalating by 4% per year
- This is not enough to fund long term needs of the property
- Routine replacement items (such as carpet/flooring) may be submitted quarterly or annually
- Minimum balance required in the Replacement Reserve Account = 24 months of the required deposits
- If balance is less than required amount, withdrawals will not be allowed, even if the item requested is an eligible reserve item.
- Exceptions may be made on a case-by-case basis for properties in extreme adverse financial situations



# Replacement Reserves Typically Not Approved

- Interior painting
- Blinds
- Appliance repairs
- Replacement of component parts (such as fan motors or A/C compressor)
- Bedbug or other pest control treatments
- Landscaping material or services
- Pressure washing
- Items that should be covered by insurance

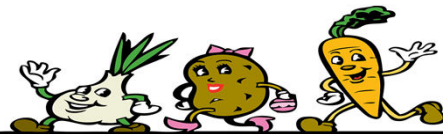


# Operating Reserve Request

- Funded prior to loan closing
- Used for operating deficits during times of economic hardship, such as high vacancies
- Withdrawals require NCHFA approval
- Account must be restored to required balance prior to any distributions or payments to owners or investors

**To request a withdrawal from Operating Reserve Account, submit a letter explain the request, along with:**

- The most recent reserve bank statement
- The most recent trial balance, and
- Proof or detailed explanation of the operating deficit



## Popping the reserve request mystery

**Failure to Submit**

Failure to submit requests, taking money from reserve accounts without NCHFA approval, or submitting after monies have already been withdrawn

**More than One Request**

Attempting to submit/open more than one request at a time

**Non-Eligible Items**

Requesting reimbursement for non-eligible items

**No Summary Page**

There is no summary page for large request showing the breakdown of the request submitted

**Incorrect Supporting Documents**

The attachments included are incorrect (wrong property, documents, not legible, etc.)



NCHFA Rent Increase Policy can be found on the Agency website under Management Documents  
[https://www.nchfa.com/sites/default/files/page\\_attachments/NCHFA%20-%20Reserve%20Request%20Process%20\(1\).pdf](https://www.nchfa.com/sites/default/files/page_attachments/NCHFA%20-%20Reserve%20Request%20Process%20(1).pdf)



# Need additional help with reserve request?

here  
to  
help

Randa McCauley

[rjmccauley@nchfa.com](mailto:rjmccauley@nchfa.com) – (919) 981-2691

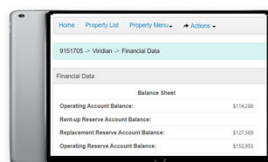


Information



## Audited Financials – Reminders

- Audited financials are required to be submitted through RCRS annually for projects with Agency funding.
- For FYE 12/31, audited financials are due 5/1
- For any other FYE, they are due 120 days after that date
- Failure to submit audited financials may result in management/ownership not being in good standing with the Agency and noncompliance for the project



# Audited Financials - Requirements

- Upload PDF version of the audited financial into RCRS
- Should have comparative year schedules (including reserve accounts activity)
- If consolidated, must contain property specific schedules
- Enter data from audited financial into RCRS
- All available information must be entered
- Findings noted by auditor must be addressed with a letter/memo noting all actions taken to correct

## Instructions – Audit Data Entry

- Instructions for Data Entry of Audits can be found on the Agency's website under Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management



[https://www.nchfa.com/sites/default/files/page\\_attachments/DataEntryAudits.pdf](https://www.nchfa.com/sites/default/files/page_attachments/DataEntryAudits.pdf)



# Don't let the fish off the audit hook...

When completing the data entry, using numbers from some other source that does not match the audit

Submitting balance sheets & other printouts in place of the audit

Late Submissions

Not including Asset Management Fees, investor fees, etc. in the data entry b/c they haven't been paid out. Any fees listed on the audit that are charged to that year must be included even if the fee is accrued

Submitting the audit but not completing the data entry section in RCRS





# Need additional help with Financial Audits?

here  
to  
help

**Sandy Harris**

[ssharris@nchfa.com](mailto:ssharris@nchfa.com) – (919) 877-5649



**Information**



## Insurance Requirements

- Borrower shall keep or cause to be kept, in full force and effect, the following types of insurance coverage:
  - ✓ Commercial Property (Hazard) Insurance
  - ✓ Commercial General Liability Insurance
  - ✓ Worker's Compensation Insurance
  - ✓ Flood Insurance (if applicable)
  - ✓ Fidelity Coverage
- Such other and further insurance may be required from time to time by Lender in order to comply with regular requirements and practices of Lender in similar transactions
- Each policy of insurance shall be issued by one or more insurance companies, each of which must have an A.M. Best Company or Demotech (for nonprofits) financial and performance rating of "A-" or better
- All policies shall list the Lender's name and address exactly as:

**North Carolina Housing Finance Agency, ISOA, ATIMA**

3508 Bush Street, Raleigh NC 27609



- No longer standard practice for insurance companies to include the Loss Payee or Additional Insured on the insurance proceeds checks
- **We expect to get notified of claims**
- **NEW Policy:** Report insurance claims by email [insuranceclaims@nchfa.com](mailto:insuranceclaims@nchfa.com)



# Insurance Reminders

- Promptly pay, or cause to be paid, all premiums when due on all insurance policies and not less than 15 days prior to the expiration dates of such policies
- Provide to Lender evidence satisfactory to Lender reflecting that all required insurance is current and in force
- During the term of the loan, the Agency may require modifications to existing insurance or require additional insurance at its reasonable discretion

**Insurance Requirement are available on the Agency website**



En Español News Events Impacts Research Careers Press Investors Help Contact Us  
About Us Home Buyers Homeowners Renters Home Ownership Partners Rental Housing Partners

- Compliance Manual
- Ownership/Management
- Resident Files

## Ownership/Management

The following pages contain required and recommended checklists and current updates.

- CURRENT UPDATES**  
[State Noncompliance - NSPIRE](#)  
[NCHFA HOTMA Guidance 2.0](#)
- LOAN REQUIREMENTS**  
[Instructions for Data Entry](#)  
[Insurance Requirements](#)  
[Rent Increase Process](#)  
[Reserve Request Process](#)



## Recent News

\$43 Million Awarded to Reduce Homelessness and Housing Insecurity in North Carolina  
December 22, 2023

Workforce Housing Check to Be Given at Valley River Apartments in Murphy, December 1  
November 22, 2023



[https://www.nchfa.com/sites/default/files/page\\_attachments/InsuranceRequirements.pdf](https://www.nchfa.com/sites/default/files/page_attachments/InsuranceRequirements.pdf)



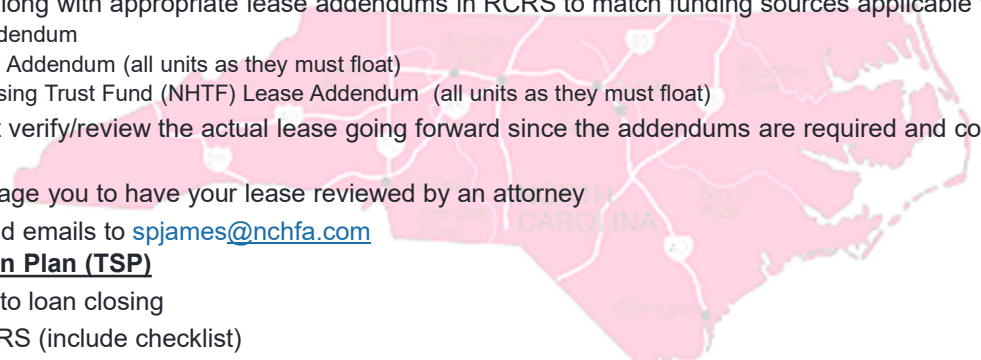
# Rental Production Program (RPP)

## NCHFA Lease Approval

- Required prior to loan closing
- Upload lease along with appropriate lease addendums in RCRS to match funding sources applicable to property
  - TC Lease Addendum
  - HOME Lease Addendum (all units as they must float)
  - National Housing Trust Fund (NHTF) Lease Addendum (all units as they must float)
- NCHFA will not verify/review the actual lease going forward since the addendums are required and cover Agency requirements
- We still encourage you to have your lease reviewed by an attorney
- Questions, send emails to [spjames@nchfa.com](mailto:spjames@nchfa.com)

## Tenant Selection Plan (TSP)

- Required prior to loan closing
- Upload via RCRS (include checklist)
- Refer to Agency website for current requirement and important dates
- Questions, send emails to [htholt@nchfa.com](mailto:htholt@nchfa.com)



**Changes or Updating?  
Re-Submission is Required**



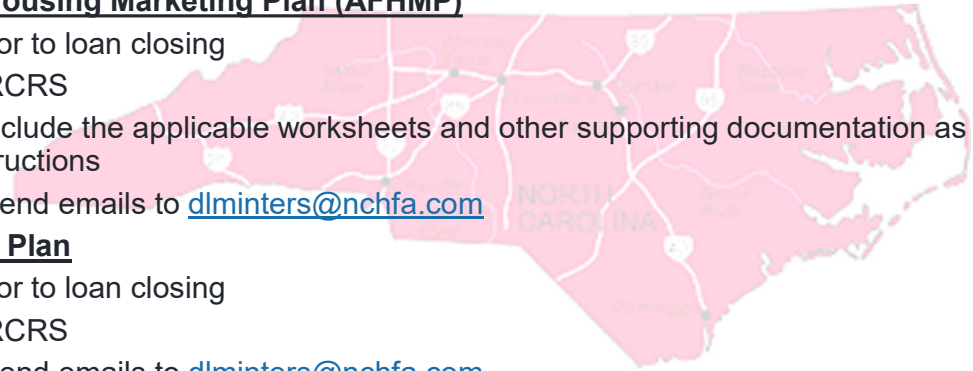
# Rental Production Program (RPP) Document Approval

## Affirmative Housing Marketing Plan (AFHMP)

- Required prior to loan closing
- Upload via RCRS
- Be sure to include the applicable worksheets and other supporting documentation as required by the plan instructions
- Questions, send emails to [dlminters@nchfa.com](mailto:dlminters@nchfa.com)

## Management Plan

- Required prior to loan closing
- Upload via RCRS
- Questions, send emails to [dlminters@nchfa.com](mailto:dlminters@nchfa.com)



Changes or Updating?  
Re-Submission is Required



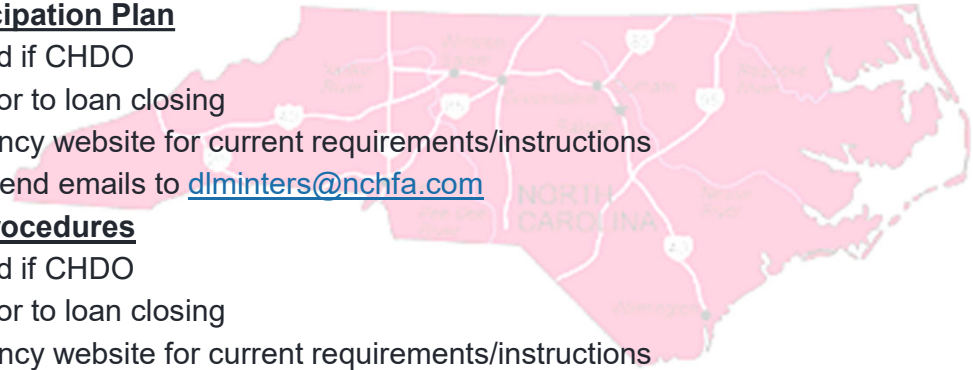
# Rental Production Program (RPP) Document Approval

## Tenant Participation Plan

- Only required if CHDO
- Required prior to loan closing
- Refer to agency website for current requirements/instructions
- Questions, send emails to [dlminters@nchfa.com](mailto:dlminters@nchfa.com)

## Grievance Procedures

- Only required if CHDO
- Required prior to loan closing
- Refer to agency website for current requirements/instructions
- Questions, send emails to [dlminters@nchfa.com](mailto:dlminters@nchfa.com)



Changes or Updating?  
Re-Submission is Required



# Sufficiently Understanding Entry Rules

# HOME Requirements



**NCHFA Rental Asset Management  
Compliance Fair**



## January 6, 2025, HUD published a Final Rule in the Federal Register that revises and updates the requirements governing the HOME Investment Partnerships Program (HOME)

The new administration has delayed the effective date of the new HOME Final Rule until April 20, pursuant to a memorandum issued on January 20 requiring agencies to freeze and review any new or pending regulatory actions. If that review finds no issues of "fact, law or policy" with the rule, it could be allowed simply to go into effect as of April 20, although there is also a possibility of further delay or review of the rule beyond that date.

NCHFA will continue to monitor these actions and review the changes and when appropriate, announce a new effective date applicable to NCHFA HOME funded properties through our normal communication methods





# Low HOME Income Requirements

- In projects with 5+ HOME designated units, at least 20% must be occupied by HH who have annual incomes that are 50% or less of AMI (low HOME)
- Low HOME income limits are typically below tax credit income limits (60%)
- When HH income exceeds low HOME (50%) at recertification, the unit is considered a high HOME unit



In a 9 unit building that is 100% HOME, how many units are considered low HOME?

2



# High HOME Income Requirements

- High HOME designated units, must be occupied by HH who have annual incomes of 80% or less of AMI (*Limit will be 60% for tax credit unit*)
- High HOME income limits may exceed tax credit income limits (60%), depending on other in-place restrictions
- When HH income exceeds High HOME (80%) at recertification, the household is required to pay 30% of adjusted income for rent



Note: If less than 100% of the units are designated as HOME units, it is advisable to designate another unit as HOME if HH income exceeds 80% at AR. The units will swap status



# HOME Income Limits

U.S. DEPARTMENT OF HUD

STATE: NORTH CAROLINA

----- 2023 ADJUSTED HOME INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Goldsboro, NC MSA								
<del>30% LIMITS</del>	<del>14550</del>	<del>16600</del>	<del>18700</del>	<del>20750</del>	<del>22150</del>	<del>24100</del>	<del>25750</del>	<del>27100</del>
VERY LOW INCOME	24250	27700	31150	34600	37400	40150	42950	45700
<del>60% LIMITS</del>	<del>29100</del>	<del>33240</del>	<del>37380</del>	<del>41520</del>	<del>44880</del>	<del>48180</del>	<del>51540</del>	<del>54840</del>
LOW INCOME	38750	44300	49850	55350	59800	64250	68650	73100

**Do NOT use the 30% and 60% income limits from the HOME chart for the tax credit 30% and 60% limits**



- HOME income limits are not held harmless and may decrease each year
- HOME income limits typically match Section 8 income limits (however, must wait until they are released by the CPD for implementation)



# HOME Rent Reminders

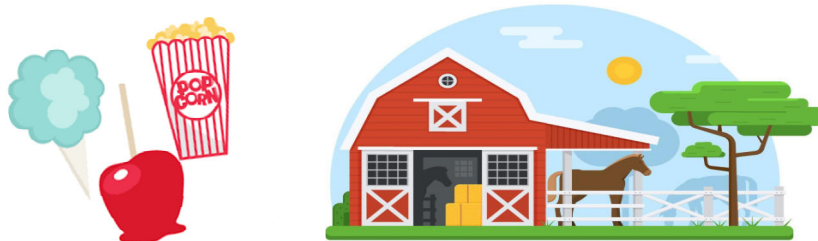
## High HOME Rent Requirements

- 80% of the HOME designated units must be at or below 80% (LI) and
- Rent is limited to the lesser of the High HOME rent limit or Fair Market Rent (FMR) or tax credit rent, if applicable

*Reminder: If the property also has TC, the High HOME units are restricted to 60%*

## Low HOME Rent Requirements

- 20% of the HOME designated units must be at or below 50% (VLI) and
- Rent is limited to the lesser of the Low HOME rent limit or Fair Market Rent (FMR)



# HOME Rent Limits

U.S. DEPARTMENT OF HUD  
STATE: NORTH CAROLINA

----- 2023 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Lincoln County, NC HUD Metro FMR Area							
LOW HOME RENT LIMIT	712	763	915	1057	1180	1301	1422
HIGH HOME RENT LIMIT	794	798	924	1200	1241	1427	1613

For Information Only:

FAIR MARKET RENT	794	798	924	1200	1241	1427	1613
<del>50% RENT LIMIT</del>	<del>712</del>	<del>763</del>	<del>915</del>	<del>1057</del>	<del>1180</del>	<del>1301</del>	<del>1422</del>
<del>65% RENT LIMIT</del>	<del>905</del>	<del>971</del>	<del>1160</del>	<del>1340</del>	<del>1476</del>	<del>1610</del>	<del>1744</del>

**Only use Low HOME & High HOME Rent Limits**

**Other limits are listed "For Information Only"**

**These will indicate whether the Low or High is limited by Fair Market Rent**



- HOME rent limits are not held harmless
- Decreases in Fair Market Rents (FMR), as well as decreases in the Very Low Income (VLI) limit, will affect HOME rent limits



# HOME Rent Limits

To determine if rent is below the maximum HOME rent limit, include all sources



Resident Paid Rent



Rental Assistance



Resident Paid Utilities



Mandatory Fees



**Gross Rent**



**Gross rent must be equal to or less than applicable Low or High HOME rent limit**



# Home Rent Limit Example

## Rent Calculation Example:

Tenant Portion of Rent	\$200
PHA Section 8 Rent to Owner	\$400
One Bedroom Utility Allowance	\$100

**One Bedroom  
Low HOME Rent Limit  
\$600**

**Does this comply with the rent limit?**



# HOME Rent Limits & Utility Allowances

- If the HOME funds are issued by NCHFA, the rent for the resident to be charged is the Agency approved rent listed in RCRS
- Utility allowance changes must be approved by NCHFA. If UA increases it can cause HOME rent limits to be exceeded, rent will likely have to be decreased
- PHA UA must be used for LIHC households with Section 8 vouchers
  - Although PHA UA is used on the TIC, we use the property's approved UA to determine HOME compliance

Section 8 / Home Limits

Percent Median	Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
30	\$70,300	\$14,580	\$19,720	\$24,860	\$30,000	\$35,140	\$40,150	\$42,950	\$45,700
50	\$70,300	\$24,250	\$27,700	\$31,150	\$34,600	\$37,400	\$40,150	\$42,950	\$45,700
80	\$70,300	\$38,750	\$44,300	\$49,850	\$55,350	\$59,800	\$64,250	\$68,650	\$73,100

Percent Median	Income	1/BR	2/BR	3/BR
50	\$70,300	\$631	\$778	\$900
80	\$70,300	\$631	\$815	\$1,052





# Tax Credit Requirements

## Federal & State



**NCHFA Rental Asset Management Compliance Fair**



## What do we do at the North Carolina Housing Finance Agency



# LHC Program – State

## Qualified Allocation Plan (QAP)

- Published Annually (after comment period)
- Sets priorities for awarding credits
- Addresses state specific housing goals
- Establishes minimum threshold requirements
- Establishes selection criteria to competitively score
- Limits the amount of credits awarded projects, and development entities



Current and past QAPs are available on our website  
 Rental Housing Partners > Rental Developers > Qualified Allocation Plan  
<https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan>



Allocation Year	Supportive Services	Targeted Units	Key Program
1987 - 1994	N/A	N/A	N/A
1995	Optional Points Awarded	N/A	N/A
1996 - 1999	Mandatory for Elderly Optional Points for Family	N/A	N/A
2000 - 2001	Mandatory for Elderly and for Special Populations	N/A	N/A
2002	Mandatory for Elderly Optional Points for Family	Optional Points Awarded	N/A
2003	N/A	Optional Points Awarded	N/A
2004 - Ongoing	N/A	Mandatory for All	Available

Each property must follow the QAP that was in place at the time the credits were allocated, regardless of how the QAP has evolved. The above is an example of how specific housing issues can change and evolve from one year to another in the QAP



Current and past QAPs are available on our website  
 Rental Housing Partners > Rental Developers > Qualified Allocation Plan  
<https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan>



# Supportive Services Requirements (if applicable)

- If a supportive Services Plan was originally required, the property must continue to follow the approved services plan
- If the plan is not relevant or needs to be updated to reflect current activities, submit a copy of the services plan to NCHFA for approval
- Documentation must be maintained to show compliance with the plan

Examples include:

- ✓ Services notebook
- ✓ Flyers
- ✓ Sign-in sheets
- ✓ Calendars



**Note: Don't confuse Supportive Services Requirements with Supportive Development Housing Requirements**



## What is the Targeting Program & Key Rental Assistance

### Targeting Program:

- Partnership between DHHS, NCHFA, and local communities
- Annually, 10% of newly funded Low Income Housing Credit (LIHC) units targeted to person with disabilities
- Targeting Unit Agreements (TUA)
- Persons must be referred by a service provider who has made a commitment to participate
- Housing with access to support and services (on-site services not required)

### Key Rental Assistance:

- State funded operating assistance to subsidize rent of residents referred by DHHS through the Targeting Program
- Limited to households headed by persons with disabilities, with a disability source of income (SSI, SSDI, etc.)
- Key Payment standard set by NCHFA and DHHS
- Owners must sign Agreement of Participation

### Property Management responsible for:

- Verifying eligibility
- Sending NCHFA monthly Key requisitions via RCRS
- Transition to Section 8 voucher, if available

**Don't forget the reporting requirements**



**Targeting & Key Assistance Training registration available on our website!**



# The role of the IRS

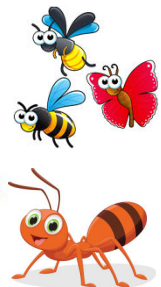
Performs 3 Major functions

1. Tax return processing
2. Tax payer services
3. Enforcement

Enforcement involves recapture of credits due to program noncompliance

Establishes LIHC program requirements & provides program reference materials

Regulates & enforces the requirements for LIHC Program Section 42



## Low Income Housing Credit (LIHC) Program

### Types of Tax Credit Developments:

- New Construction
- Substantial rehabilitation of existing units
- Acquisition and Rehabilitation
  - NCHFA requires a set dollar amount/unit of rehabilitation costs that can be found in the QAP
- Credits are allocated based on competitive application process
- States are required to allocate at least 10% of the annual credits to projects sponsored by non-profit organizations
- Projects are awarded under the state's Qualified Allocation Plan (QAP)



Current and past QAPs are available on our website  
Rental Housing Partners > Rental Developers > Qualified Allocation Plan  
<https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan>





# IRS Form 8609

- Official notification to the IRS of the allocation of credits
- Form issued for each low income building
- Owner makes required elections on Part II of the form
- Schedule A of the form is filed annually with the owner's tax return
- State HFA (NCHFA) Completes Part I, the taxpayer completed part II
- Copies of form 8609 with Part II completed must be provided to NCHFA at the end of the first credit period
- Failure to upload in RCRS under the properties document tab will result in noncompliance

## **Part 1 of the Form:**

- Name, address and Tax Payer Identification Number (TIN) of the owner
- Building Identification Number (BIN)
- The amount of credits awarded to the building
- Placed in service date



**Once the Owner completed Part II – Be sure to upload in RCRS**



# IRS Form 8609

**Line 7** – Enter the eligible bases (in dollars) of the building. Eligible bases doesn't include the cost of land. Determine the eligible basis at the close of the first year of the credit period (see sections 42(f)(1), 42(f)(5) and 42(g)(3)(8)(iii) for determining the start of the credit period)

**Line 8b** - a checked "Yes" box on line 8b, will result in each building being considered a separate project under section 42(g)(3)(D)

- Owner selects the minimum set aside on Form 8609
- The minimum set aside is irrevocable
- Must be maintained
- Tested at the end of each taxable year
- Set aside met across the property or building by building based on the election made on 8b of the 8609



**If ownership/management changes... be sure to get a copy of the completed 8609s during the change**



# IRS Form 8609

**Line 10a** -The year the owner elects as the first year of the credit period

## **Line 10c**

### 20-50 Set-Aside Election

- 20% of units, minimum, must be LIHTC
- 50% of the income and rent limit for ALL LIHTC

### 40-60 Set-Aside Election

- 40% of units, minimum, must be LIHTC
- 60% of the income and rent limit for ALL LIHTC units

### Average Income Election

- 40% of units, minimum, must meet the owner selected designations
- 60% is the average income and rent limit designation for ALL LIHTC units. Designation options are 20-80% (in even 10% increments)



Instructions for completing IRS Form 8609  
<https://www.irs.gov/instructions/i8609>



# LIHC Program Credit Period/IRS Compliance Period

## Credit Period

- The 10-year period that credits are claimed
- Under certain circumstances the credits are claimed over a 15 year period

## IRS Compliance Period

- The first 15 years of the affordability period
- The property must comply with regulations or be subject to recapture (pay the credits back)
- The credit period and compliance period start the first year the credits are claimed



It is important to know what period  
your property is in for compliance purposes



# LIHC Program

## Extended Use Period

### Extended Use Period:

Additional 15-year extended use period (after the Compliance Period)

Property must comply with the Deed Restrictions

State enforcement; no recapture

Early termination of minimum 30-year period only if:

Foreclosure

Qualified Contract Process

### Extended Use Period Compliance Policy:

Must fully document eligibility at move-in and first annual recert; no additional recerts are required

Must continue to report activity in RCRS

Student Rules no longer apply \*

Compliance reviewed project-wide, not building-by-building

Smaller sample size (10%) when monitored



The extended use period policy for student rules is a North Carolina policy – other states may differ in their policy



## Recertification by Funding/Program

### Funding Sources

FTC (no AI) with STC, WHLP  
Year 1 – 15

- 100% TC
- Mixed Income

Year 16-30 (Extended Use)

- 100% TC
- Mixed Income

### Funding Sources/Program Type

- FTC with AI
- RPP/other Agency Loans

	Full AR at 1 <sup>st</sup> Anniversary	Annual Update of Household Comp.	Annual Update of Student Status	Annual Update of Rent Being Charged	Full AR Every Year
• 100% TC					
• Mixed Income					
Year 16-30 (Extended Use)					
• 100% TC					
• Mixed Income					
• FTC with AI					
• RPP/other Agency Loans					



It is important to know the properties funding source(s)



# LIHC Program Reminders

- 100% of the units in the project can be targeted to low income households or a smaller percentage
- The percentage is the Applicable Fraction and is recorded in the LURA
- Projects are subject to IRS and State regulations for a 30 year (or more) affordability period
- Prohibits eviction or termination of tenancy (other than good cause)
- Prohibits the refusal to lease to section 8 voucher holders based on being a voucher holder

## Vacant Unit Rule

- Project-based rule
- Focus is on mixed-income properties
- Noncompliance reported as category 11j on the 8823 form
- Owner fails to make reasonable attempts to rent low-income units before renting market-rate units. This can be documented using:
  - Marketing efforts
  - Timely processing of LI applications



### NC Vacant Unit Policy: Effective 1/1/2024

- Units vacant over 6 months (rent ready or not) with no move-in scheduled will be cited as noncompliance
- We will request move-in documentation



# 140% Rule

§42(g)(2)(D)(ii) and Treasury Regulation 1.42-15:

- When a household's income exceeds 140% of the current income limit at recertification, the unit is Over-Income (OI) and the Available Unit Rule **MUST** be followed
- Noncompliance reported as category 11i on the 8823 form
- Recertification income limit is 140% of the current tax credit limit

Current 60%, 2 person income limit is \$24,720..

The recertification limit would be \$34,608 (\$24,720 X 140%)

- If the household's income exceeds \$34,608, the unit is re-designated as Over Income (OI) and the next available unit rule must be followed



Part V - Determination of Income Eligibility	
Total Annual Household Income From All Sources: From item (L) on page 1	\$31,250
Household Meets Income Restriction at:	<input checked="" type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %
Current Income Limit per Family Size:	\$ 24,720
Household Income at Move-in:	\$ 23,125
<b>Recertification Only:</b> Current Income Limit x 140% \$34,608 Household Income exceeds 140% at Recertification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Household Size at Move-in: _____	



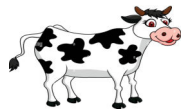


# What is the Next Available Unit Rule (NAU)

When a household is OI at recertification, the unit remains eligible for credits as long as:

- The unit remains rent restricted
- Units of comparable or smaller size in the building (building rule) are rented to eligible households until the building's applicable fraction is restored

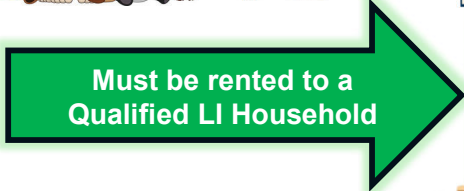
If a unit of comparable or smaller size in the building is rented to an ineligible household, ALL OI units in the building lose their low-income status and are not eligible for credits



## The Next Available Unit (NAU) Rule

### 100% Tax Credit Property

Owners must have policies and procedures in place to ensure that all units are initially occupied by eligible households



# 5 Unit Community Move-in Example

100% at 60%  
Income Limit: 60% = \$56,040



\$21,000  
60%



\$32,500  
60%



\$40,000  
60%



\$30,000  
60%



\$55,900  
60%



# 5 Unit Community Recertification Example

100% at 60%  
Income Limit: 140% of 60% = \$78,548



\$24,000  
60%



\$81,000  
Over Income



\$32,500  
60%



\$91,000  
Over Income



\$46,750  
60%



# 5 Unit Community

New Move-in Example

100% at 60%

Income Limit: 140% of 60% = \$78,548



\$24,000  
60%



\$81,000  
Over Income



\$32,500  
60%



\$30,000  
60%



\$46,750  
60%



# 5 Unit Community

New Move-in Example

100% at 60%

Income Limit: 140% of 60% = \$78,548



\$24,000  
60%



\$81,000  
Over Income



\$32,500  
60%



~~\$30,000~~  
~~60%~~



\$46,750  
60%





# How does the NAU Rule Work with multiple set-a-sides?

- Units with deeper targeting (30%, 40%, 50%, etc.) will use the project-specific income limit from RCRS **and apply the 140% rule to their specific set-aside at recertification** (updated effective 1/1/2021)

## NAU and Deeper Targeting

- For all deeper-targeted income set-asides, when the household's income exceeds 140% of the current tax credit limit, the unit designation is changed to the next higher set-aside, along with an increase in rent to the next level
- The next available unit must be rented at the lower set-aside to restore compliance



**NCHFA Rental Asset Management Compliance Fair**



# NAU & Deeper Targeting Example

**Income Limits:**  
30% = \$14,640  
50% = \$24,400

**New Move-in**  
\$12,000 **30%**

**Annual Recertification**  
\$18,500

**What is the income set-aside at recertification?**

At recertification we take 140% of the current set-aside (30%)

\$ 14,640	x 140%
\$20,496	

\$18,500 < \$20,496

**Household remains at the 30% set-aside until income exceeds \$20,496**



**How do you keep up with NAU Compliance?**





# 5 Unit Community Move-in Example

2 Units at 30% & 3 at 50%  
Income Limit: 30% = \$22,840 & 50% = \$34,260



\$18,000  
30%



\$19,000  
30%



\$26,500  
50%



\$29,300  
50%



\$33,750  
50%



# 5 Unit Community Recertification Example

2 Units at 30% & 3 at 50%  
Income Limit:  
140% of 30% = \$31,976 & 140% of 50% = \$47,964



\$28,500  
30%



\$52,000  
50%



\$32,000  
50%



\$42,000  
50%



\$47,000  
50%



# 5 Unit Community Recertification Example

2 Units at 30% & 3 at 50%

Income Limit:

140% of 30% = \$31,976 & 140% of 50% = \$47,964



\$28,500  
30%



\$52,000  
50%



\$32,000  
50%



\$42,000  
50%



\$47,000  
50%



# 5 Unit Community Recertification Example

2 Units at 30% & 3 at 50%

Income Limit:

140% of 30% = \$31,976 & 140% of 50% = \$47,964



\$28,500  
30%



\$52,000  
50%



\$32,000  
50%



\$28,000  
30%



\$47,000  
50%



# Employee Units

## Low Income Eligible:

Units occupied by full-time resident managers, who are also tax credit qualified, are treated just like any other eligible household

- Agency permission not required
- Unit is included in unit mix
- Rent can be charged
- Households must follow property rules, including recertification and student status

## Not Low Income Eligible:

Units occupied by full-time resident managers, who would not otherwise qualify to live at the property, are eligible if:

- Resident manager must be considered reasonably required by the property
- The unit is no longer classified as a residential unit
- The unit is not included in the numerator or denominator of the applicable fraction
- Agency approval IS required
- Rent should NOT be charged



### Reminder:

Employee units must be updated in RCRS at move-in, annually and at move-outs. 30-day unit event update requirements is applicable



# Student Rules

Households consisting entirely of full-time students are not eligible unless they meet an exception

Exceptions are covered in Compliance 101



# FARMSCHOOL





Attendance at the N.C. State Fair, 2013-2024

1,000,000  
800,000  
600,000  
400,000  
200,000

# Income Averaging

## Are you ready for your experience?

Source: N.C. Department of Agriculture & Consumer Services •  
The 2020 N.C. State Fair was not held due to the COVID-19 pandemic.



**NCHFA Rental Asset Management Compliance Fair**



# Income Averaging Update Released 10/12/2022



Federal Register / Vol. 87, No. 196 / Wednesday, October 12, 2022 / Rules and Regulations 61489

the **Federal Register** or by posting an advisory to follow at [www.chp.gov](http://www.chp.gov). The restrictions will remain in effect until superseded, modified, or revoked by publication in the **Federal Register**.

For purposes of this **Federal Register** document, "United States" means the territory of the several States, the District of Columbia, and Puerto Rico.

**Alejandro N. Mayorkas,**  
Secretary, U.S. Department of Homeland Security.

[FR Doc. 2022-22264 Filed 10-7-22; 4:15 pm]  
BILLING CODE 9111-14-P

**DEPARTMENT OF THE TREASURY**  
Internal Revenue Service

**26 CFR Part 1**  
[TD 9967]  
RIN 1545-BO92

**Section 42, Low-Income Housing Credit Average Income Test Regulations**

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

Section 42(a) provides that the amount of the low-income housing credit for any taxable year in the credit period is an amount equal to the applicable percentage (effectively, a credit rate) of the qualified basis of each qualified low-income building.

Section 42(c)(1)(A) provides that the qualified basis of any qualified low-income building for any taxable year is an amount equal to (i) the applicable fraction (determined as of the close of the taxable year) of (ii) the eligible basis of the building (determined under section 42(d)). Section 42(c)(1)(B) defines applicable fraction as the smaller of the unit fraction or floor space fraction. The unit fraction is the number of low-income units in the building over the number of residential rental units (whether or not occupied) in the building. The floor space fraction is the total floor space of low-income units in the building over the total floor space of residential rental units (whether or not occupied) in the building. Subject to certain exceptions set forth in section 42(i)(3)(B), a low-income unit is defined in section 42(i)(3) as any unit in a building if the unit is rent-restricted and the individuals occupying the unit meet the income limitation under section 42(g)(1) that applies to the project of which the

minimum set-aside test option—the average income test. If a taxpayer elects to apply the average income test, a project meets the minimum requirements of the average income test if 40 percent or more of the residential units in the project are both rent-restricted and occupied by tenants whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the specific unit. (In the case of a project described in section 142(d)(6), "40 percent" in the preceding sentence is replaced with 25 percent.) Section 42(g)(1)(C)(ii)(I)–(III) provides special rules relating to the income limitation for the average income test. Specifically, unlike the 20–50 and 40–60 tests, section 42(g)(1)(C)(ii)(I) requires the taxpayer to designate each unit's imputed income limitation that is taken into account for purposes of the average income test. Section 42(g)(1)(C)(ii)(II) requires the average of the imputed income limitations designated under section 42(g)(1)(C)(ii)(I) not to exceed 60 percent of AMGI. Finally, section 42(g)(1)(C)(ii)(III) requires the imputed income limitation designated for any unit to be 20, 30, 40, 50, 60, 70, or 80 percent of AMGI.

Generally, under section 42(g)(2)(D)(i), if the income for the



<https://www.govinfo.gov/content/pkg/FR-2022-10-12/pdf/2022-21826.pdf>





# Income Averaging Policy

- Only new construction projects and rehabilitation projects not subject to an existing Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits are eligible to utilize income averaging beginning with 2019 allocations
- Applicants electing to use income averaging must comply with the following:
  - (a) The income average for the property cannot exceed 60%
  - (b) The income average for any bedroom type cannot exceed 60%
  - (c) Market rate units are prohibited
  - (d) For projects with more than one building, Owners must select each building as part of a multiple building set-aside on line 8b in part II of IRS Form 8609
- No project can have more than four (4) income bands consisting of: 20%, 30%, 40%, 50%, 60%, 70%, 80% area median income
- Any project utilizing income averaging will pay a higher monitoring fee per unit (includes all units, qualified, unrestricted, and employee) prior to issuance of the project's IRS Form 8609



## What does “average” look like?



### 100 unit property example:

- 30 units at 30% AMI
- 20 units at 50% AMI
- 20 units at 60% AMI
- 30 units at 80% AMI

$$\begin{aligned}
 30 \times 30\% &= 900\% \\
 20 \times 50\% &= 1000\% \\
 20 \times 60\% &= 1200\% \\
 +30 \times 80\% &= 2400\%
 \end{aligned}$$

$$5500\% / 100 = 55\%$$

Is the  
average ok?

Yes! <60%



# What does “average” look like for bedroom size?

**1-Bedroom units:**  
 15 units at 30% AMI  
 6 units at 50% AMI  
 6 units at 60% AMI  
 6 units at 80% AMI  
 Average = 49%

**2-Bedroom units:**  
 10 units at 30% AMI  
 10 units at 50% AMI  
 10 units at 60% AMI  
 15 units at 80% AMI  
 Average = 58%

**3-Bedroom units:**  
 5 units at 30% AMI  
 4 units at 50% AMI  
 4 units at 60% AMI  
 9 units at 80% AMI  
 Average = 60%



**1 Bedroom Examples**

15 X 30% = 450%
6 X 50% = 300%
6 X 60% = 360%
6 X 80% = 480%
<b>1590%</b>

**Cont.**

1590% / 33 Units = 48.18%

**Average is OK <60**

*You would calculate other bedroom sizes using the same calculation*



# Additional Compliance Monitoring Requirements

1. Income and rent designations are required to float to maintain compliance with set-asides specified in the application

*Similar to the NCHFA Policy for HOME and NHTF Properties*



# IA Floating Example

Building 15 December 31, 2023		
Unit A	Move-in	30%
Unit B	Move-in	50%
Unit C	Move-in	50%
Unit D	Move-in	70%
Unit E	Move-in	80%
<b>Building Average 56%</b>		

Building 15 December 31, 2024		
Unit A	Recert	50%
Unit B	Recert	70%
Unit C	Move-in	30%
Unit D	Recert	80%
Unit E	Move-in	50%
<b>Building Average 56%</b>		



**Who within your organization ensures the Building Average Percentage is maintained?**



## Additional Compliance Monitoring Requirements

2. All households must be certified annually in accordance with B(1)(vi) to confirm the appropriate unit set-aside. No exception is allowed for one hundred percent (100%) low income projects using Average Income as the minimum set-aside

- If household income has increased to the next set-aside, the next available unit of comparable or smaller size must be rented to a household at the lower set-aside until the appropriate unit mix is restored
- If household income decreases, it is acceptable to move the unit to the lower set-aside if a slot is available, but this is not mandatory



**How do you communicate the recertification policy?**



# Annual Recertification Example

Move In Income:

\$18,500 = 30%



1<sup>st</sup> Recert Income:

\$25,900 = 50%



I got a raise!

*Next unit must be rented at  
30% AMI to restore  
compliance*



## Additional Compliance Monitoring Requirements

3. Low-income certification review frequency under C(2)(ii) will be increased to annual review to monitor compliance with this set-aside
  4. Lower set-asides must follow the Multifamily Tax Subsidy Program (MTSP) income and Rent limits as published by HUD annually
- Any units where income or rent exceeds the limit for the set-aside specified on the low-income certification will be reported to the IRS.



**NCHFA Rental Asset Management Compliance Fair**





# Income Limit Example

## Fair County – 1 Person Income Limit

<p><b>Average Income Min</b> <b>Set-Aside Election</b></p> <table border="0"> <tr><td>30%</td><td>\$12,660</td></tr> <tr><td>40%</td><td>\$16,880</td></tr> <tr><td>50%</td><td>\$21,110</td></tr> <tr><td>60%</td><td>\$25,330</td></tr> </table>	30%	\$12,660	40%	\$16,880	50%	\$21,110	60%	\$25,330			<p><b>40/60 Min</b> <b>Set-Aside Election</b></p> <table border="0"> <tr><td>30%</td><td>\$13,650</td></tr> <tr><td>40%</td><td>\$18,880</td></tr> <tr><td>50%</td><td>\$22,750</td></tr> <tr><td>60%</td><td>\$25,320</td></tr> </table>	30%	\$13,650	40%	\$18,880	50%	\$22,750	60%	\$25,320
30%	\$12,660																		
40%	\$16,880																		
50%	\$21,110																		
60%	\$25,330																		
30%	\$13,650																		
40%	\$18,880																		
50%	\$22,750																		
60%	\$25,320																		
 <p><b>NORTH CAROLINA HOUSING FINANCE AGENCY</b> HousingBuildsNC.com</p>																			

# Income Limit Example

## Fair County – 1 Bedroom Rent Limit

<p><b>Average Income Min</b> <b>Set-Aside Election</b></p> <table border="0"> <tr><td>30%</td><td>\$339</td></tr> <tr><td>40%</td><td>\$452</td></tr> <tr><td>50%</td><td>\$565</td></tr> <tr><td>60%</td><td>\$678</td></tr> </table>	30%	\$339	40%	\$452	50%	\$565	60%	\$678			<p><b>40/60 Min</b> <b>Set-Aside Election</b></p> <table border="0"> <tr><td>30%</td><td>\$365</td></tr> <tr><td>40%</td><td>\$487</td></tr> <tr><td>50%</td><td>\$609</td></tr> <tr><td>60%</td><td>\$678</td></tr> </table>	30%	\$365	40%	\$487	50%	\$609	60%	\$678
30%	\$339																		
40%	\$452																		
50%	\$565																		
60%	\$678																		
30%	\$365																		
40%	\$487																		
50%	\$609																		
60%	\$678																		
 <p><b>NORTH CAROLINA HOUSING FINANCE AGENCY</b> HousingBuildsNC.com</p>																			

# Loss of rent per unit per year caused by selecting income averaging

Average Income Min. Set-Aside Election  
Vs.  
40/60 Min. Set-Aside Election

30%	\$365-\$339 = \$26/Month	\$312 pupy
40%	\$487-\$452 = \$35/Month	\$420 pupy
50%	\$609-\$565 = \$44/Month	\$528 pupy
60%	N/A	N/A



## Additional Compliance Monitoring Requirements

5. As part of the annual review of the certification required under C(1), the Agency will test compliance with the Average Income requirements. If the average income designation of at least 40% of compliant units is at or below sixty percent (60%) Area Median Income (AMI), there will be no impact to the minimum set-aside

- The grouping of compliant units is expected to shift to help achieve compliance. If the minimum number of compliant units falls below forty percent (40%), or if the average income designation of the most advantageous grouping of 40% of compliant units is above sixty percent (60%) Area Median Income (AMI), the entire project will fail to meet the required minimum set-aside and will be reported to the IRS
- The unit designation is determined by the owner as reported on the most recent unit event in RCRS. Units out of compliance at year end, regardless of whether attributable to a low-income certification issue or a physical inspection issue, will not be included in the grouping to determine whether the Average Income is acceptable and meets program requirements
- Further, individual units that are out of compliance will be reported to the IRS, even if the minimum set-aside is not affected. Any unit out of compliance will cause the applicable fraction to be less than the required 100%.



**NCHFA Rental Asset Management Compliance Fair**



# IRS Form 8823 Example – Line 11a



Unit 101 – 80% AMI  
Income Limit - \$33,760



Household Income  
at Move-in  
**\$41,600**

Unit 101 is out  
of compliance  
and will be  
reported to IRS  
as over-income

Unit 101 would be re-designated as a  
market rate unit for purposes of calculating the  
Average Income for the entire property




**State Noncompliance**  
Market Units Not Allowed



## IRS Form 8823 Minimum Set-A-Side Violation?



As of 12/31/22 Unit Group Average = 40%		
Unit 101	MI	30%
Unit 102	MI	50%
Unit 103	MI	<del>50%</del>
Unit 104	MI	70%
Unit 105	MI	80%

As of 12/31/22 Unit Group Average = 40%		
Unit 101	R	30%
Unit 102	R	50%
Unit 103	R	
Unit 104	R	70%
Unit 105	R	80%



**Average of designated group  
of 40% of units is less than 60% AMI**





# IRS Form 8823

## Minimum Set-A-Side Violation



As of 12/31/22 Unit Group Average = 40%			As of 12/31/22 Unit Group Average = 75%		
Unit 101	MI	<del>30%</del>	Unit 101	MI	
Unit 102	MI	<del>50%</del>	Unit 102	MI	
Unit 103	MI	<del>50%</del>	Unit 103	MI	
Unit 104	MI	70%	Unit 104	MI	70%
Unit 105	MI	80%	Unit 105	MI	80%

**Unit 101, 102, 103 are out of compliance – Cannot be included in the Minimum Set-A-Side**  
**Units 104 & 105 > 60% - Loss of credits on ALL units**


## Can we fix it?



As of 12/31/22 Unit Group Average = 40%			As of 12/31/22 Unit Group Average = 60%		
Unit 101	MI	30%	Unit 101	MI	50%
Unit 102	MI	<del>50%</del>	Unit 102	MI	70%
Unit 103	MI	<del>50%</del>	Unit 103	MI	70%
Unit 104	MI	<del>70%</del>	Unit 104	MI	70%
Unit 105	MI	80%	Unit 105	MI	80%

**Average of designated group of 40% of units is 60% AMI**

**Unit 101, 102, 103 are out of compliance – Cannot be included in the Minimum Set-A-Side**  
**Units 104 & 105 > 60% - Loss of credits on ALL units**





# IRS Form 8823 Minimum Set-A-Side Violation?



As of 12/31/22 Unit Group Average = 40%		
Unit 101	MI	30%
Unit 102	MI	50%
Unit 103	MI	50%
Unit 104	MI	70%
Unit 105	MI	<del>80%</del>

As of 12/31/2022 Unit Group Average = 40%		
Unit 101	MI	30%
Unit 102	MI	50%
Unit 103	MI	50%
Unit 104	MI	70%
Unit 105	MI	Market



Average okay < 60%

Yes, **BUT...**

Noncompliance:  
Applicable Fraction less than 100%



# IRS Form 8823 Minimum Set-A-Side Violation – Line 11f

100 Unit Property As of 12/31/2021	
30 Units	30%
10 Units	50%
25 Units	60%
35 Units	80%

Property Average  
**57%**

Minimum Set Aside  
**100%**



# IRS Form 8823

## Minimum Set-Aside Violation – Line 11f

100 Unit Property As of 12/31/2021	
10 Units	30%
5 Units	50%
10 Units	60%
10 Units	80%
65 Units	Market

Property Average  
**56%**

**Minimum Set  
Aside = 35%  
Criteria NOT met!  
Loss of credits on  
all units!**



# Additional Compliance Monitoring Requirements

### 6. There are 5 allowable reasons to change the designation of a unit:

1. Federally permitted changes: As contained in IRS forms, instructions or guidance published in the Internal Revenue Bulletin
2. Agency-permitted (or Agency-required) changes: As described in written public guidance
3. Certain laws: As required or appropriate to enhance protections under The Americans with Disabilities Act, The Fair Housing Act, The Violence Against Women Act, The Rehabilitation Act of 1973 or any other state, federal or local law or program that protects tenants
4. Tenant movement: When a current income-qualified tenant transfers to a different unit in the same project, the units “swap” status
5. Restoring compliance with the average income requirements: As needed for purposes of identifying a qualified group of units, either for purposes of satisfying the AIT set-aside or for purposes of identifying the units to be used in computing applicable fraction(s)



**NCHFA Rental Asset Management  
Compliance Fair**



Exhibit A

Lacey Apartments  
Agency ID 982563  
April 11, 2023

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	01/01/2023	State	Property failed to meet the average of set-aside of 60% per each bedroom size as of December 31, 2022. The following bedroom sizes exceed the 60% average: (AverageSetAside = 60.3448%, Description = 1 Bedroom) (AverageSetAside = 62.0968%, Description = 2 Bedrooms).	Reduce rents on each unit so that the average set-aside is 60% or less. Provide evidence that rent has been refunded to the appropriate households.	Uncorrected



Examples of *Findings* In the Results Letter



Examples of *Findings* In the Results Letter

Exhibit A

Lacey Apartments  
Agency ID 982563  
April 11, 2023

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	01/01/2023	IRS	The average of the income designations for all units has resulted in a minimum set-aside violation. Failure to resolve this finding may result in a loss of credits for the entire property.	Provide evidence that the property was never in violation of the IRS requirements for Average Income, or that compliance with the requirements has been reestablished.	Uncorrected



***Reminder...***  
***We never expect to see a minimum set-aside violation based on the final guidance from the IRS***



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- 5 **RCRS Annual Owner Certification Instructions**  
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- 6 **RCRS Compliance Resolution Packet Instructions**  
North Carolina Housing Finance Agency  
5:00
- 7 **Vacancy and Referral Training**  
North Carolina Housing Finance Agency  
23:00

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# Acquisition & Rehabs

**Acquisition & Rehabs**

[HousingBuildsNC.com](http://HousingBuildsNC.com)

**NCHFA Rental Asset Management Compliance Fair**



# Types of Rehab Projects

- Acquisition/Rehab Projects - an owner purchases a property and rehabs the property
- Rehab Only - an owner rehabs a property that they previously purchased
- Adaptive Reuse - transforms a non-residential building that was previously used for another purpose into housing units. Examples of adaptive reuse are schools and hotels being rehabilitated into an affordable housing project
- Owner selects rehab PIS date. The PIS date does NOT have to be at the close of the rehab. If in-place tenants are qualified at acquisition, owner can claim rehab credits back to acquisition date



# Placing In Service

**New Construction** - a building is placed in service when a building is ready for its intended purpose

- With new construction, this is generally the date when the first unit in a building can legally be occupied
- This is supported by a certificate of occupancy

**Acquisition** - for buildings that are purchased/acquired with households living in-place, the building is ready for its intended purpose upon acquisition

- The date of acquisition by purchase is the placed in-service for the tax credits

**Rehab** - The rehabilitation placed in service date does not directly relate to occupancy

- It is an expenditure test to determine what year credits can be claimed
- Rehab credits can be placed in service at the close of any 2-year period over which the rehab expenditures are made



**NCHFA Rental Asset Management Compliance Fair**



# Resyndication

**When an existing LIHTC property receives a new allocation of credits, this is resyndication:**

- The Building Identification (BIN) Number stays the same and the new allocation is layered over the original
- The property is subject to both sets of requirements until the compliance period for the original allocation expires
- If the property is located in an area where income limits have decreased in the past, the property will be required to reduce the income and rent limits on the new allocation, causing a reduction in rents and a change to screening criteria
- The new allocation will be created by Development in conjunction with Asset Management due to the existing allocation



# Acquisition/Rehab Rules

**Households occupying units prior to acquisition:**

- If initial tax credit income certification is completed within 120 days after acquisition, the effective date is the acquisition date. Use income & rent limits effective on acquisition date
- If tenant income certification is completed more than 120 days after acquisition, the household is treated as a new move-in. Use income & rent limits on effective date of TIC

**Households who move-in after the acquisition, but before the first year of the compliance period:**

- The income certification is completed using the income and rent limits in effect on the move-in date



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# Acquisition/Rehab Rules (cont.)

## Test for purpose of the Next Available Unit Rule:

- Within 120 days before the beginning of the first year of the credit period, income of existing households must be “tested”
- The “test” consists of confirming with the household the sources & amounts of income on the initial TIC are still current. It is not necessary to complete third party documentation
- If household is over-income based on the current income limits, apply the next available unit rule

# Previously Qualified Households

## Acquisition & Rehab – New owner receives Credit for Acquisition & Rehabilitation during the Extended use Period:

- NCHFA strongly suggests requalifying the Head of Household (HH) instead of relying on original documentation that may no longer be acceptable. If the HH is over the current income limits and won't qualify currently, then it is okay to accept the original documents.
- However, vacant units at the time of acquisition are not qualified units. Credits may be claimed on these units in accordance with the procedures for new property placing in service. See IRC 42(f)(2)



# Acquisition Pop Quiz

## Property Acquired on 4/1/2025

In order for the TIC to be effective 4/1/2025, all in-place residents must be certified by?

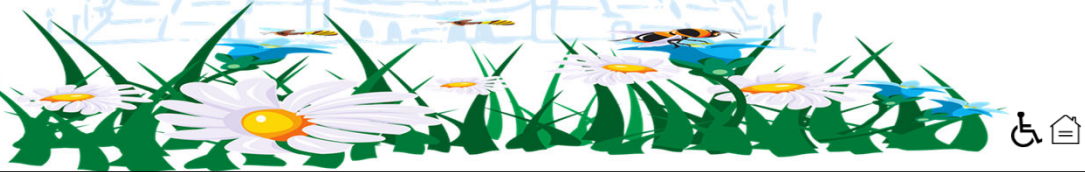




# Acquisition Pop Quiz

## Property Acquired on 1/1/2025

For a new move-ins that take place on or after 1/1/20235, what is the effective date of the move-in?



# Rehab Pop Quiz

When completing the certification “test” for in-place residents, must the owner obtain third-party verification?  
True or False?

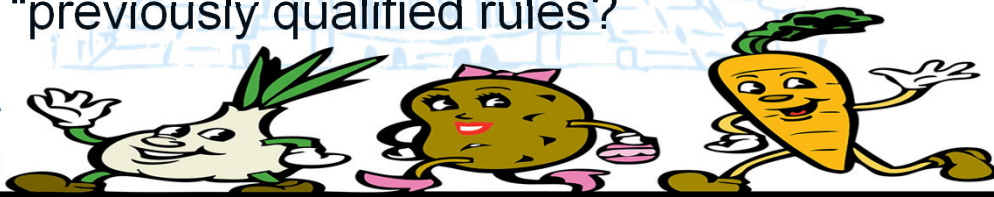




# Previously Qualified Households Acquisition & Rehab Properties

Prior to the allocation of Acquisition and Rehab Credits, the owner allowed students

Are student households that do not meet the student rule “grandfathered in” under the “previously qualified rules?”



# Income Limits



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# HUD Published Income Limits

HUD publishes income and rent limits annually for affordable housing programs:

- HUD Section 8 limits
- MTSP (LIHTC elections)
- HERA Special (only applicable to properties PIS prior to Jan 1, 2009)
- HOME (limits are published separately after certification by CPD)

New changes will now be published annually following release of federal poverty guidelines by DHHS



# MTSP & HERA Special Income Limits

- All properties that placed in service prior to 1/1/2009 use the HERA Special Income and Rent Limits, if any
- All properties that placed in service on or after the effective date of the current income limit chart use the MTSP Income Limits; they are not eligible for HERA Special Income Limits
- Properties that PIS between 1/1/2009 and effective date of the current charge will use the highest MTSP chart applicable for income limits; these properties are not eligible for HERA Special Income Limits
- Income limits are held harmless (won't decrease after a project places in service)



**NCHFA Rental Asset Management Compliance Fair**



# Which Income Limits to Use?

## HUD Section 8 Limits

- Used by properties with Project-based Section 8 rental assistance
- Income limits may decrease
- Adopted by HOME program; however, cannot be used for HOME purposes until released by CPD and labeled as HOME Income Limits

## HOME rent limits are published separately

- MTSP & HERA Special Income Limits
- MTSP = Multifamily Tax Subsidy Program
- For use with the tax credit and tax exempt bond programs
- Whether to use MTSP or HERA Special Income are determined by the placed in service date



# Income Limit Reminders

- The income and rent limits are listed by county or metropolitan area.
- If property is in a rural area, the property is eligible to calculate income and rent limits using the National Non-Metro median income, if higher
- Much of NC falls into this category
- Tax Credit properties that are layered with other affordable housing programs (Section 8, RD, HOME) must use the most restrictive income and rent limits to maintain compliance with all programs.
  - For example, if the property is HOME and tax credit, the tax credit income limits will likely be higher than the HOME income limits
- Properties not electing Average Income on IRS Form 8609, will use the state mandated deeper targeting income and rent limits
- The Agency will utilize the highest of the income and rent limits (National Nonmetro, MTSP and HERA Special) published by HUD to determine deeper set-asides.
  - Therefore, there will only be one income and rent limit applicable to each set-aside in a given county



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## Which income limit is used for a two person household?

**LIHTC Income and Rent Limits**

**Income**

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
40	\$59,400	\$18,880	\$21,560	\$24,240	\$26,920	\$29,080	\$31,240	\$33,400	\$35,560
50	\$59,400	\$23,600	\$26,950	\$30,300	\$33,650	\$36,350	\$39,050	\$41,750	\$44,450
60	\$59,400	\$28,020	\$32,040	\$36,060	\$40,020	\$43,260	\$46,440	\$49,680	\$52,860

**Rent**



Percent Median	Median Income	2/BR	3/BR
40	\$59,400	\$606	\$700
50	\$59,400	\$757	\$875
60	\$59,400	\$901	\$1,041

**Section 8 / Home Limits**

**Income**

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
30	\$59,400	\$13,300	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580	\$39,350	\$41,850
50	\$59,400	\$22,200	\$25,400	\$28,550	\$31,700	\$34,250	\$36,800	\$39,350	\$41,850
80	\$59,400	\$35,500	\$40,600	\$45,650	\$50,700	\$54,800	\$58,850	\$62,900	\$66,950

**With LIHTC and Section 8/HOME**

## Income limits are available in RCRS

- To make compliance easier, NCHFA publishes property-specific income limits in RCRS once they are released
- If you follow the income and rent limits in RCRS, the property will not have a compliance finding for using the incorrect income limits even if RCRS is wrong
- Please print the income and rent limits from RCRS and keep in your property file





# Locating your income limits in RCRS

From the property menu,  
Click on the "Property Menu"

Click on Rent/Income Limits

**Property Menu**

- Summary
- Buildings
- Rent / Income Limits
- Compliance Resolution
- Property Activity Report
- Property Upload
- Additional Info
- Management Company Contacts
- Documents
- Utility Allowance
- Financial Data
- Rent Structure
- Reserve Requests
- Set-Asides
- Special Claims
- Hold Fees

Construction Type:	Building	Type
	NC-21-07501	{none}
	NC-21-07502	{none}
	NC-21-07503	{none}
	NC-21-07504	{none}
	NC-21-07505	{none}
	NC-21-07506	{none}
	NC-21-07507	{none}



LIHTC Income and Rent Limits

LIHTC Effective Date: 04/01/2024

Income

Percent	Median	One	Two	Three	Four	Five	Six	Seven	Eight
Median	Income	Person	Person	Person	Person	Person	Person	Person	Person
50	\$51,900	\$27,100	\$30,950	\$34,850	\$38,700	\$41,800	\$44,900	\$48,000	\$51,100
60	\$51,900	\$32,520	\$37,140	\$41,820	\$46,440	\$50,160	\$53,880	\$57,600	\$61,320

Rent

Percent	Median	2/BR
Median	Income	
50	\$51,900	\$871
60	\$51,900	\$1,045

The income and rent limits will automatically default to the most current limits. You can select previous years also.

- 04/01/2024
- 05/15/2023
- 04/18/2022
- 04/01/2021
- 04/01/2020
- 04/24/2019
- 04/01/2018
- 04/14/2017
- 03/28/2016
- 03/06/2015
- 12/18/2013



# Rent, Fees and Utility Allowances

Collecting the communities spending money



**NCHFA Rental Asset Management  
Compliance Fair**



## Reviewing Rent Reminders

- Rent increase request and requirements are covered in the Typical Loan Requirements section of today's training.
- The term "gross rent" includes the cost of any utilities paid by the resident
- For tax credit developments, gross rent does not include rental assistance payments made on behalf of the tenant under the Section 8 program or similar programs
- Rent limits are determined by bedroom size
- Calculations based on the income limits
- 1.5 person per bedroom
- Rents are generally set under the applicable rent limits



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Compliance Fair**



# Rent Limit Reminder

LIHTC Income and Rent Limits Filter by Set-Aside  
 LIHTC Effective Date: 04/01/2024

**Income**

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
40	\$86,600	\$24,280	\$27,720	\$31,200	\$34,640	\$37,440	\$40,200	\$42,960	\$45,760
50	\$86,600	\$30,350	\$34,650	\$39,000	\$43,300	\$46,800	\$50,250	\$53,700	\$57,200
60	\$86,600	\$36,420	\$41,580	\$46,800	\$51,960	\$56,160	\$60,300	\$64,440	\$68,640

**Rent**

Percent Median	Median Income	1/BR	2/BR	3/BR
40	\$86,600	\$650	\$780	\$901
50	\$86,600	\$812	\$975	\$1,126
60	\$86,600	\$975	\$1,170	\$1,351

Available in RCRS - Property Specific



Rents charged cannot exceed the NCHFA approved (if required) even if rental amount the rent increase



# Rent Limit Question

**Yuliana owns/manages Thunder Mountain Apartments and want to increase the rents. NCHFA approved a rent increase (approval required by NCHFA) of \$600 1/BR and \$750 2/BR. Yuliana notices in RCRS that the Rent Limit for her community is \$800 1/BR and \$950 2/BR. Can she increase the rents to \$700 1/BR and \$850 2/BR without NCHFA approval since the amounts do not exceed the Rent Limits?**



# Rents

- Rent limits include a utility allowance for tenant paid utilities
- Mandatory fees and services are included in rent
- Maximum Allowable Rent Calculation

Tenant Paid Rent

+ Allowance for utilities paid by tenant

+ Mandatory fees

= Gross Rent

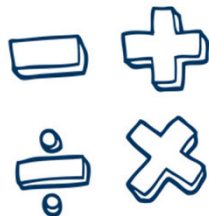


**Gross Rent must be equal to  
OR less than the rent limit**



# What is the gross rent?

- ✓ 3 bedroom apartment
- ✓ 60% Set-a-Side
- ✓ 5 Member household
- ✓ \$1,800 Tenant Rent
- ✓ \$200 Utility Allowance





# Is the rent limit being meet?

- ✓ 2 bedroom apartment
- ✓ 50% Set-a-Side
- ✓ 3 member household
- ✓ \$800 Tenant Rent
- ✓ \$100 UA
- ✓ = \$900 Gross Rent

(\$800 TR + \$100 UA)



LIHTC Income and Rent Limits									
Income									
Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
40	\$86,600	\$24,280	\$27,720	\$31,200	\$34,640	\$37,440	\$40,200	\$42,960	\$45,760
50	\$86,600	\$30,350	\$34,650	\$39,000	\$43,300	\$46,800	\$50,250	\$53,700	\$57,200
60	\$86,600	\$36,420	\$41,580	\$46,800	\$51,960	\$56,160	\$60,300	\$64,440	\$68,640

Rent					
Percent Median	Median Income	1/BR	2/BR	3/BR	
40	\$86,600	\$650	\$780	\$901	
50	\$86,600	\$812	\$975	\$1,126	
60	\$86,600	\$975	\$1,170	\$1,351	



# What is the gross rent?

- 3 bedroom apartment
- 80% Set-a-Side
- 6 Member Household
- \$200 Tenant Rent
- \$200 Utility Allowance
- \$1,500 Section 8 Voucher



# Fees Charged to Residents

## Fees in addition to rent must be:

- Optional and not a condition of the lease
- Reasonable
- Available to market and low income households
- Reasonable alternative available
- Cannot charge fee for facilities included in the eligible basis

## Required Fees

Required fees, such as renter's insurance, are allowed; however, the fee must be included with the rent & UA to determine if gross rent is below acceptable limits



**Does your community charge fees?**



## Examples of Fees Allowed/Not Allowed

### Allowable Fees:

- Non-mandatory fees for meals
- Late fees
- Pet fees
- Cleaning fee for use of community facility
- Application fees that do not exceed the average out of pocket cost

### Non-Allowable Fees:

- Covered parking where the cost was included in eligible basis and there is no other place to park
- Re-decorating fees
- Transfer fees
- Washer/dryer hook up fees
- Separate fees charged for tenant facilities such as pool, laundry rooms, garage and storage when the cost of those facilities is included in eligible basis



**If fees are charged, they should be listed on page 2, part VII in the rent section of the Tenant Income Certification**



# What is the gross rent?

- ✓ 1 bedroom apartment
- ✓ 40% Set-a-Side
- ✓ 2 member household
- ✓ \$750 Tenant Rent
- ✓ \$50 Monthly Renters Insurance
- ✓ \$100 Utility Allowance



## Is the rent limit being met with the added fee?

- ✓ 1 bedroom Apt.
  - ✓ 50% Set-a-Side
  - ✓ 1 member household
  - ✓ \$600 Tenant Rent
  - ✓ \$100 Monthly RI
  - ✓ \$100 UA
  - ✓ \$800 Gross Rent
- (\$600 TR + \$100 MRI + 100 UA)**

HTF Limits									
Income									
Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50	\$84,700	\$29,650	\$33,900	\$38,150	\$42,350	\$45,750	\$49,150	\$52,550	\$55,950

Rent		
Percent Median	Median Income	1/BR
50	\$84,700	\$794



# Utility Allowance (UA) Requirements

- All projects that participate in Agency-administered rental programs must update their utility allowance at least once annually through RCRS
- Implementation can only occur after the Agency's review and approval
- New properties - you do not have to submit a new utility allowance until after the property has reached a 90% occupancy rate for 6 months or after the first year of placed in service
- With each request, all utility allowance types must be uploaded into RCRS with a cover letter indicating the utility type and effective date
- Costs are incurred solely by the owner
- The Utility Allowances includes all utilities paid directly by the resident
- Owners/management are allowed to utilize multiple methodologies when calculating UA (except for RD/HUD)
- Allowed to switch methods year-to-year
- Request can be submitted anytime during the year
- The required processing fee (if applicable) should be paid prior to submitting UA for review and approval
- Processed/approved within 30 days of receipt of information submitted correctly



- If you receive vouchers from different agencies please indicate the one you use the most, as our system only allows entry for one. (ex: Raleigh Housing and Wake County) The other is noted in our comments
- Mail the fee to the Agency prior to uploading into RCRS, at least two weeks prior



# Utility Allowances Reminders (cont.)

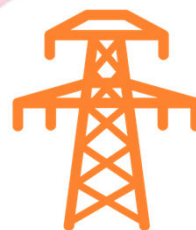
- Owner cannot bill tenants for utilities based on unit size, number of HH members, or other general allocations where conservation efforts by HH do not reduce the bill
- The owner can separately bill the tenant for utility if units are sub-metered
- We only can make a difference in the "type" of unit (garden vs townhouse), there is not an option for difference is square footage (ex: 790 sq ft 1 bedroom is \$60 and a 820 sq foot is \$62)
- When using the PHA UA for the entire property, please make sure you are using the correct one It must be effective within 90 days of the PHA making is effective.
  - The management company is responsible for checking up on this. (*There is currently over 70 PHA UAs being used*). **IF** you are not obtaining the most current PHA UA- your tenants may or may not be overpaying their portion of rent.
- Know if the site pays for the water and sewer! The tenants are paying for w/s and the Utility Studies are not reflecting that. You have to tell the companies that are performing these studies.
- Rent increases will not be approved without current UA (see Typical Loan Requirements Section)
- Failure to maintain an acceptable up-to-date UA may result in management/ownership not in good standing with the Agency and noncompliance for the project (reviewed during file audit process)
  - For approval dates within RCRS- I use the date of the study and/or the effective date of the PHA. (example a Utility Model Provider dates the study 01/01/2025, must submit within 60 days to the agency for approval), you have until 04/01/2025 to make it effective on your property. You can enter that date in to YOUR rental system, but for RCRS it will be entered as 01/01/2025
  - The PHA UA will also be entered the same way and you do have 90 days to make it effective at your property.





# The Seven Options of Calculating Utility Allowances

1. RD/RHS Must be used if building or residents received assistance from RHS
2. HUD Must be used if building is HUD-regulated
3. PHA Methodology Cannot be used for HOME or NHTF
4. Utility Company Estimate
5. Agency Estimate (consumption average)
6. HUD Utility Schedule Model
7. Energy Consumption Model



## UA Resources Available



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**Ownership/Management**

### Ownership/Management

The following pages contain required and recommended forms, instructions, policies, checklists and current updates.

#### CURRENT UPDATES

[State Noncompliance - NSPIRE](#)  
[HOTMA Guidance 5.0](#)

#### UTILITY ALLOWANCE

[Utility Allowance Policy](#)  
[Sample Utility Allowance Effective Dates](#)  
[Approved Vendors for Utility Allowance Calculations](#)  
[Instruction Sheet for Utility Allowance Compliance](#)  
[Utility Allowance Agency Estimate Spreadsheet](#)



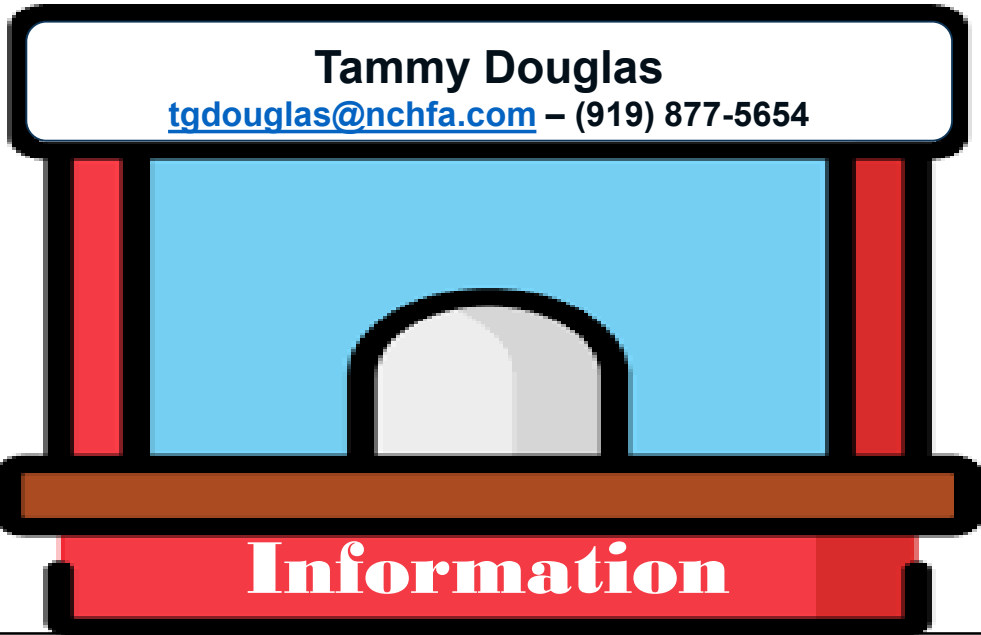
<https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/ownershipmanagement>



# Need additional help with Utility Allowances?

here to help

**Tammy Douglas**  
[tgdouglas@nchfa.com](mailto:tgdouglas@nchfa.com) – (919) 877-5654



**Information**



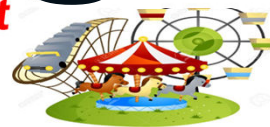
# Code of Conduct at the Compliance Fair

-  Attraction is not recommended for guests with any form of amputation or prosthetic.
-  Guests should secure or remove prosthetic limbs before riding to prevent hazards or loss due to ride forces.
-  Guests must remove possibly flammable clothing to prevent hazards or fire due to ride forces.
-  Attraction is not recommended for guests wearing casts. Specific attractions may not permit riders with casts. See specific attraction information for details.
-  Audio available for portions of the attraction through assistive listening devices.
-  Captioning is available at this attraction. Please ask a team member for assistance.
-  Guests are not permitted to bring animals to the attraction, with the exception of service animals. Guests with service animals should see a team member for assistance.
-  Guests may remain in their standard wheelchair throughout the attraction experience.
-  Guests may remain in their electric convenience vehicle (ECV) or electric wheelchair throughout the attraction experience.
-  Guests must transfer to a manual wheelchair in order to experience the attraction.
-  Guests must be of this height to experience this attraction.
-  Guests within this range of height must be accompanied by a supervising companion.
-  Children must be accompanied by a supervising companion.
-  Children must be accompanied by a supervising companion.
-  Food and beverages are not permitted on attractions. All items must be stored at all times keeping them outside the vehicle. Supervisors will be monitoring.

# Fair Housing



**NCHFA Rental Asset Management Compliance Fair**



# Fair Housing Training Disclaimer

- Information presented should not be interpreted as legal advice or legal authority
- Fair housing issues are fact specific, therefore housing providers should seek legal advice from qualified fair housing professionals/attorneys regarding specific situations, policies, practices, procedures, and documents
- This fair housing training section does not meet the QAP annual fair housing requirements



# DISCLAIMER



## Federal Protected Classes

**Race**

**Familial Status**

*(Families with children)*

**Religion**

**National Origin**

**Sex**

**Origin**

**Color**

*(Includes Gender)  
(Bostock v Clayton County {2020})*

**Disability**



**North Carolina Protected Classes  
Federal + Affordable Housing (NIMBY)**



# Laws Impacting Fair Housing

Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988

- Applies to all housing in the United States

## Americans With Disability Act (ADA)

- Applies to all housing in the United States

## Title III – Public Accommodations

- Applies to Common Areas

## Section 504 Regulations and Limited English Proficiency Requirements

- Applies to housing utilizing Federal funds such as HOME, NHTF, HUD, RHS

## N.C Fair Housing Act

## City/Town/County Laws

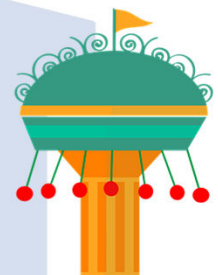
## State and Local Building Codes



# Types of Dwellings Covered

The FHA broadly applies to “dwellings,” which includes almost every residential rental unit:

- Single and Multi-family Housing
  - Houses, Apartments and Condos
- Group Homes
- Shelters
- Migrant Housing
- Assisted Living Housing
- Long-term Transient Lodging



WHO





# What are some of the Fair Housing Fundamentals?

## Equality

- People should not be subjected to additional rules or requirements based on groups they belong to

## Equity

- People do not start from the same place and we must acknowledge and make adjustments to imbalances

## Integration

- People are entitled to live and participate in the community

## Choice

- People can choose where to live

## Individuality

- Respect unique needs and circumstances

EQUAL HOUSING OPPORTUNITY



# Elderly Definitions

## 24 CFR 100.300-308

### State & Federal Elderly Housing Programs (100.302)

- Must use program definition of elderly
- Typically 62 & older OR disabled

### 62 & older definition (100.303)

- Every person residing at the property must be at least 62 or older

### 55 & older definition (100.304)

- At least one person in 80% of the units must be at least 55 or older
- The owner needs to define who can reside in the remaining 20% of the units
- See also the Housing for Older Persons Act of 1995 (HOPA) for additional guidance on the 55 & older definition



# Disability Definition



Limits a physical or mental impairment that substantially one or more major life activities



Having a history of such impairment



Being perceived as having such an impairment – whether the individual is or is not impaired



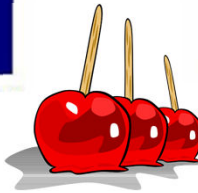
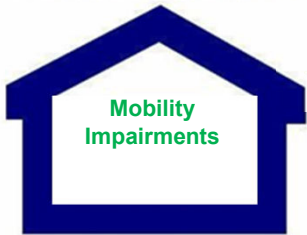
Includes people associating or residing with a person with a disability



**Must disclose a disability  
and one of the above is present**



# Examples of Disabilities



# Disability Rights

Housing Providers are required to take steps and implement policies to allow individuals with disabilities an equal opportunity to live in the apartment community

**Reasonable Accommodations**

**Reasonable Modification**



This is the law's way of leveling the playing field



# Reasonable Accommodations

## Definitions

- A change in rules, policies or procedures
- Necessary because of the individual's disability
- Provides full/equal access to housing

## When

- Before tenancy/when applying for housing
- During tenancy
- When facing eviction, if RA or source of income remove basis of eviction

## Who

- Resident or family member
- Medical provider, social worker or therapist
- Other



<https://www.hud.gov/faqs/fairhousing>



# Reasonable Modifications

## Definition

A physical change in the premises to allow a individual with a disability to fully enjoy and use the dwelling



### Reminder

Includes common areas & interior of the dwelling unit



## RA/RM Reminders

- Property managers may request proof that the person has a disability and is covered under the law
- Property managers may also request additional information that the accommodation or modification is necessary and/or will address the issue.
- DHHS Targeting applicants/tenant can request
- Further inquiry into the nature and type of disability, however, must be limited to matters directly related to the requested accommodation or modification
- Rental Assistance (Section 8, Key Program, etc.) must be taken into consideration when evaluating ability to pay rent and requests for reasonable accommodations to the standard credit history criteria
- Must follow your Tenant Selection Plan





# RA/RM Reminders (cont.)

- A blanket rule, either stated, or in a pattern of practice, that “we do not provide accommodations for a criminal history “ may be illegal
- Timeliness in responding to reasonable accommodation or reasonable modification is important
- Undue delay in responding to request could be seen as a refusal to make an accommodation or allow a modification, and consequently, a violation of the law. Delays should be communicated
- If a tenant submits a reasonable accommodation request in response to a lease termination or eviction notice; the termination process should not continue until a decision on the request has been made and communicated to the tenant



# Language Access Plans (LAP) & Limited English Proficiency (LEP)

## Language Access Plan (LAP)

- Federal Fund recipients must ensure meaningful access by persons with limited LEP
- NCHFA requires all recipients to complete a Four Factor Analysis
- A copy of the NCHFA Guidance for Developing a Four Factor Analysis and LAP and HUD’s Language Services Resources Memo is provided in the “Resources” section of this training book.

## Limited English Proficiency (LEP)

After deciding what language assistance services are appropriate, develop a plan to address needs of the LEP population served

### Elements to consider

- Who needs assistance and what language assistance is needed
- Identify points of contact staff may have with LEP persons
- Identify ways language assistance will be provided
- Provide appropriate translated notices to LEP persons (ex. eviction notices, emergency plans)
- Provide interpreters for meetings



# NCHFA Resident Forms Available in Spanish Upon Request



- ➔ Compliance Manual
- ➔ Ownership/Management
- ➔ Resident Files



If you need additional NCHFA Documents in alternative languages...  
Email [rentaltrainings@nchfa.com](mailto:rentaltrainings@nchfa.com)



## Violence Against Women Act (VAWA)

- Reauthorization was signed into law on March 11, 2022 by Congress
- Effective Changes begin January 1, 2024

### VAWA 2022 includes provisions that affect housing providers

- In 2004, HUD Section 8 and Public Housing programs were involved
- With the 2013 reauthorization, more HUD programs (including HOME Funds), Rural Development, and LIHTC programs were covered
- This latest authorization notably adds the National HTF program



# VAWA Forms Update

HUD has replaced the VAWA forms (on HUDClips)

[https://lnkd.in/eb\\_Dwmee](https://lnkd.in/eb_Dwmee)

These include:

- **HUD-5380 Notice of Occupancy Rights Under the Violence Against Women Act – NCHFA Policy to be posted at the apartment community**
- HUD-5381 Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
- HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation
- HUD-5383 Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Previous versions, including translated versions, have been removed



HUD has indicated they soon would be issuing new guidance explaining when owner/agents are required to implement these new versions



# VAWA Updates

## Nonretaliation Provisions

- VAWA 2022 requires that "No public housing agency or owner or manager of housing assisted under a covered housing program shall discriminate against any person because that person has opposed any act or practice made unlawful by [VAWA] or because that person testified, assisted, or participated in any matter related to [VAWA]"

## Noncoercion Provisions

- "No public housing agency or owner or manager of housing assisted under a covered housing program shall coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any rights or protections under [VAWA], including—
  1. intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under [VAWA].
  2. retaliating against any person because that person has participated in any investigation or action to enforce [VAWA]."



<https://www.hud.gov/vawa#close>



# VAWA Updates (cont.)

Protection to Report Crimes from Home. "Landlords, homeowners, tenants, residents, occupants, and guests of, and applicants for, housing:

- Shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance; and
- Shall not be penalized based on their requests for assistance or based on criminal activity of which they are a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by covered governmental entities.
- Prohibited penalties include:
  1. Actual or threatened assessment of monetary or criminal penalties, fines, or fees.
  2. Actual or threatened eviction.
  3. Actual or threatened refusal to rent or renew tenancy.
  4. Actual or threatened refusal to issue occupancy permit or landlord permit.
  5. Actual or threatened closure of the property, or designation of the property as a nuisance or a similarly negative designation."



<https://www.hud.gov/vawa#close>



# VAWA – HUD FORM 5381

MODEL EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

U.S. Department of Housing and Urban Development  
OMB Approval No. 2577-0286  
Expires 06/30/2017

**Happy Trails Apartments**

**Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking**

**Emergency Transfers**

Form HUD-5381  
(12/2016)

**Happy Trails Apartments** is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or

*"HUD also appreciates the commenters' concerns with HUD's VAWA forms. In accordance with the Paperwork Reduction Act, HUD will at a later date update its VAWA forms and the relevant information collection requests. Rulemaking related to VAWA reauthorization is beyond the scope of this HOTMA final rule, and HUD has determined that this final rule is the appropriate vehicle to implement the exception to the prohibition on owning real properties for survivors of domestic violence, dating violence, sexual assault, or stalking."*





# Fair Housing Training

Kathi Williams , The Fair Housing Institute  
(770) 826-6573 – [www.fairhousinginstitute.com](http://www.fairhousinginstitute.com)



**SAHMA**

(800) 745-4088 – [www.sahma.org](http://www.sahma.org)



John Ritzu, Fair Housing FIRST

(312) 913-1717 – [www.FairHousingFIRST.org](http://www.FairHousingFIRST.org)



**NCHFA offers Fair Housing training  
virtually at no cost**



**Local Apartment Associations  
offer Fair Housing Courses as well**



# Affirmative Marketing

**Properties financed by NCHFA are prohibited from:**

- Denying occupancy to a household because the household participates in the Section 8 program
- Requiring a minimum income that would effectively prevent a voucher holder from qualifying for housing

**Properties financed by NCHFA must:**

- State in their leasing criteria that the property will comply with state and federal fair housing laws
- Identify methods to market to persons with disabilities and populations least likely to apply
- Apply screening criteria uniformly
- Display an approved Affirmative Fair Housing Marketing Plan, HUD form 935.2A, in the leasing office and make it available to the public upon request.
- To obtain Agency approval, upload in RCRS
  - **AFHMP Compliance will be reviewed during the Review process.**
  - **Compliance Monitors will confirm AFHMP approval in RCRS and compare approved plan and what is posted the office**

**Effective January 1, 2022**

**Failure to have an approved plan in RCRS  
and posted in the Office will result in project noncompliance**



# How to complete & Implement the AFHMP

- Identify populations least likely to apply
- Ensure population is actually represented in the surrounding community
- Implement marketing efforts to attract target populations
- Efforts should be made to publicize through the type of media customarily used by the target applicant

## Maintain documentation evidencing outreach

- Flyers
- Mailings
- Advertising
- Community Contact Letters

EQUAL HOUSING OPPORTUNITY



Are you completing the annual requirements?



# Affirmative Fair Housing Marketing Plan

5 page form (pages 1-5) +  
 3 pages of Instructions (pages 6-8)  
 +  
 4 worksheets =  
**12 pages total**

Plans that have been approved by another regulatory agency (HUD, RD, etc.) may be submitted. Must upload the complete approved AFHMP including worksheets & supporting documents

## Supporting documentation

(census info, advertising, site signage, etc.) and the

**Agency AFHMP Checklist** must be submitted for approval. If not included, the AFHMP will be returned

The Checklist is available on the Agency website!



Property Management Company:		Affirmative Fair Housing Marketing Plan Checklist		Property Name:	
APN#:		Date Reviewed:			
*AFHMP must be completed in it's entirety but NCHFA only notes the components below					
Required Content	Affirmative Fair Housing Marketing Plan Requirement	Completed by Owner/Agent Where is this in the AFHMP? Page#, Section#, Section Title	is it OK? Yes, No, NA, or NI	Completed by NCHFA Comment/Corrective Action Needed	
1a	Is the Property Name, address, & county where located identified?				
1c	Does number of units match number of units noted in RCRS?				
1d	Verify Census Tract is correct - <a href="http://factfinder2.census.gov/main.html">http://factfinder2.census.gov/main.html</a>				
1f	Does Management Agent match information in RCRS?				
1g	Does Owner match information in RCRS?				
1i	To whom should questions regarding AFHMP be addressed?				



# Affirmative Fair Housing Marketing Plan

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/portal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

## Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development  
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013  
(exp. 1/31/2021)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area Housing Market Area: Expanded Housing Market Area:	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address



The form is available on the HUD website  
<https://www.hud.gov/sites/documents/935-2A.PDF>



# Updating, Changes & Renewing The Affirmative Fair Housing Marketing Plan

The AFHMP is valid for five years (from the signature date of the management agent), when it expires, you have 2 options:

- Create a new AFHMP and submit for approval through RCRS or
- If no changes, submit an updated plan and
  - Date and sign the AFHMP listing “no changes or updates” or
  - Include a cover letter that states “no changes or updates”

### Reminder:

Changes in Ownership or Management Agent require a new plan to be submitted and approved at the time of the change



# Common AFHMP Issues

- Incomplete information
  - All pages and worksheets completed, nothing left blank
- Required documentation missing
  - Advertising, census information, community contact letters, site sign picture
- Expired plans
  - Five years after signature date
- Outdated plans
  - Ownership/Management changes
- Failure to sign/date the plan
- Incorrect/outdated form for new plans
- Failure to upload in RCRS and post at the property



**Don't forget the NCHFA AFHMP Checklist**



## Need additional help with AFHMPs?

**Dorian Minters**

[dlminters@nchfa.com](mailto:dlminters@nchfa.com) – (919) 981-4470

*here  
to  
help*



**Information**





## NCHFA Tenant Selection Plan (TSP) Policy

- The Agency requires landlords who participate in Agency-administered rental programs to have a written property specific Tenant Selection Plan
- The criteria contained in a TSP must not be so restrictive that it creates a disparate impact on groups protected by the Federal Fair Housing Act
- The criteria must align with HUD's requirement for housing entities to affirmatively further fair housing and conform to any applicable HUD guidance published on the subject

**Requirements: all Agency-monitored properties, regardless of HUD/RD participation, property's TSP must:**

- Specify how applicants are selected for tenancy
- All criteria used in the decision-making process must be included
- Must have enough specificity, applicants can read it & reasonably determine their likelihood acceptance
- Contain screening criteria that is no more restrictive than described in the policy
- Be clearly posted in the property rental office as well as anywhere else applications are distributed, including websites
- Copies must be available to applicants upon request



**Do you know what your TSP contains?**



## NCHFA's Responsibility

The Agency has a responsibility to affirmatively further fair housing within our housing programs. Among the Agency's public policy objectives related to fair housing are the following:

- Ensure access to housing created through our programs by vulnerable, underserved, and at-risk populations through the application of reasonable tenant selection criteria by our landlord partners
- Ensure access for vulnerable, underserved, and at-risk populations in the most integrated settings within the community
- Ensure compliance with all applicable federal regulations related to fair housing

## TSP Compliance Requirement

Failure to comply with either of these requirements, or failure to satisfactorily address concerns or deficiencies identified by the Agency, may result in the property owner and/or agent being considered not in good standing and result in a suspension from doing future business with the Agency until the issue is corrected



**What is your role?**



# NCHFA TSP Policy & Checklist Available on the Agency Website



Español News Events Impacts Research Careers Press Investors Help Contact Us  
About Us Home Buyers Homeowners Renters Home Ownership Partners Rental Housing Partners

> Español

- Compliance Manual
- Ownership/Management**
- Resident Files

## Ownership/Management

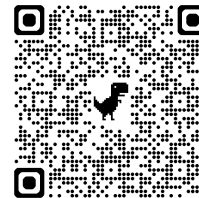
The following pages contain required and recommended forms, instructions, policies, checklists and current updates.

### CURRENT UPDATES

[State Noncompliance - NSPIRE](#)  
[HOTMA Guidance 5.0](#)

### OWNERSHIP/MANAGEMENT

[Tenant Selection Plan Policy](#)  
[Tenant Selection Plan Checklist](#)  
[Bed Bug Policy for Owners and Management](#)  
[Extended Use Compliance Policy](#)  
[AFHMP Checklist](#)  
[Management Plan Checklist](#)  
[RCRS Instruction Manual](#)



<https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/ownershipmanagement>



## Common TSP Issues Resulting in Returned Plan

- Not following the Agency policy
- Not meeting the criminal criteria
- Not submitting the checklist when submitting a TSP
- Not including the correct set-asides and number of units for each set-aside available
- Not including all applicable student rules (TC, HOME, HUD, RD)
- Not including the DHHS Targeting Program verbiage (# of units available, waived app fee, waived landlord credit for monies owed)



• Do not ignore the RCRS generated email indicting the plan was returned  
• Do not re-submit the plan without making corrections noted in the returned email



# Need additional help with TSPs?

here  
to  
help

Heidi Holt

[htholt@nchfa.com](mailto:htholt@nchfa.com) – (919) 480-2877



**Information**



# Tips for AWARD WINNING Compliance and Regulatory Compliance



**NCHFA Rental Asset Management  
Compliance Fair**



# Review Monitoring Frequency

## File Reviews – Determined by Funding Sources

### Tax Credit

- Every third year

### Rental Production Program (RPP)

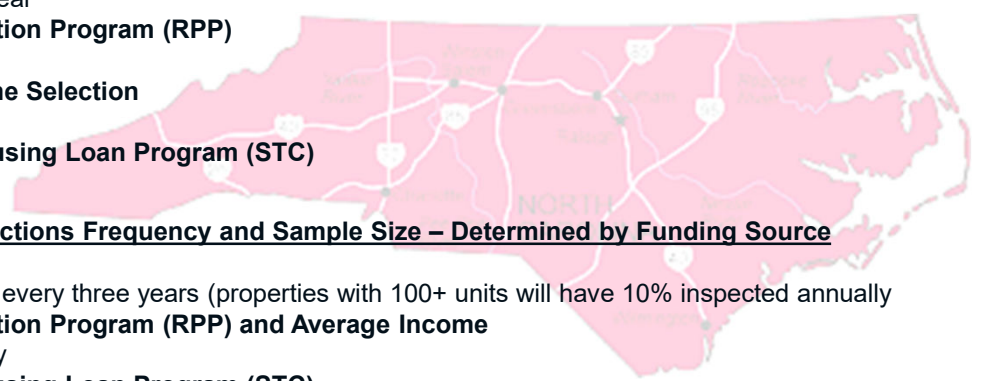
- Annually

### Average Income Selection

- Annually

### Workforce Housing Loan Program (STC)

- Annually



## Physical Inspections Frequency and Sample Size – Determined by Funding Source

### Tax Credit

- 20% of units every three years (properties with 100+ units will have 10% inspected annually)

### Rental Production Program (RPP) and Average Income

- 10% annually

### Workforce Housing Loan Program (STC)

- 10% annually

### Note:

Monitoring and sample size may be increased at the Agency's discretion



# Rough Scheduling In RCRS

Monitoring Activity - Date Scheduled in the format of Month/Year is tentative and will be firmed up prior to the indicated month

Date Scheduled	Monitoring Type	Property	Monitor	Phone	Email
02/12/2025 9:00 A.M.	Physical Inspection		Steven James		in@nchfa.com
02/25/2025 9:30 A.M.	Physical Inspection		Randa McCauley		ym@nchfa.com
02/25/2025 12:00 P.M.	Physical Inspection		Randa McCauley		ym@nchfa.com
03/13/2025 9:00 A.M.	Physical Inspection		Krista Zimmer		km@nchfa.com
March/2025	Physical Inspection		Randa McCauley		ym@nchfa.com
March/2025	Physical Inspection		Randa McCauley		ym@nchfa.com
March/2025	Physical Inspection		Randa McCauley		ym@nchfa.com
March/2025	Physical Inspection		Randa McCauley		ym@nchfa.com
April/2025	Physical Inspection		Krista Zimmer		km@nchfa.com
April/2025	Physical Inspection		Steven James		in@nchfa.com
April/2025	Physical Inspection		Steven James		in@nchfa.com
April/2025	Physical Inspection		Lisa Alston		linalston@nchfa.com
May/2025	Physical Inspection		Randa McCauley	(919) 877-5669	rmccauley@nchfa.com
May/2025	File Review		Lisa Alston	(919) 877-5669	linalston@nchfa.com
June/2025	File Review		Lisa Alston	(919) 877-5669	linalston@nchfa.com
July/2025	File Review		Lisa Alston	(919) 877-5669	linalston@nchfa.com
September/2025	File Review		Lisa Alston	(919) 877-5669	linalston@nchfa.com

**If the status is rough schedule status, the "Date Scheduled" will show a month/year**

**If the physical inspection status has been confirmed, the "Date Scheduled" will show a date and time, i.e. 3/13/2025 9:00A.M.**

**Contact information for Monitor conducting the Review**

Monitoring schedule is available in RCRS annually by the end of January  
 Check often for revisions (**recommend to check monthly**)  
 Staff will email prior to the physical inspection to schedule the (30-60 days)  
 Contact the monitor if you have physical inspection schedule request for month of rough schedule  
 Reschedule request considered if requested at **least 2 months** in advance (rough schedule stage only)



To access the monitoring schedule:  
 log into RCRS, click on the "Monitoring Home" Tab





# Release of the Notification Letter

## Physical Inspections:

- The Notification Letter will be released in RCRS 15-days prior to the inspection
- The Notification Letter will include the “Tips for a Successful Property Inspection” (updated 12/2023) and the North Carolina Housing Finance Agency: Policy Update 3.0, Physical Inspection Noncompliance Items” (effective January 1, 2024; updated 1/2025)

## File Reviews:

- 14-days from the date of receiving notification letter through RCRS to respond
- Ensure that everything that is requested is provided
- Use the 14-days to review what the Monitor will be reviewing

## Reminder:



- Notification letters are sent via RCRS system generated email that there is an action that needs attention
- Make sure roles are updated under Management Contacts



# Review Reminders

## To be in compliance file reviews/physical inspections :

- Units must be occupied by certified, income eligible households at restricted rents
- Be rented to non-transient households
- Maintain a condition suitable for occupancy and meet program inspection protocols
- Project must meet the minimum set-asides
- Be available to the general public

## Preparing for the file review:

- File reviews are conducted through RCRS
- Review the Notification Letter to provide what is asked for
- Ensure Utility Allowance has been updated
- Ensure Management forms uploaded/current
  - Affirmative Housing Marketing Plan
  - Tenant Selection Plan
  - 8609s
  - Etc.
- Only provide what is requested in the notification letter





# NCHFA HOTMA Delayed New Effective Date: 7/1/2025



- After careful consideration, the Agency has decided to delay implementing HOTMA for properties in our portfolio until **7/1/2025**
- This will correspond with the implementation date imposed by HUD and RD
- The Rental Compliance Reporting System (RCRS) will be updated in time to allow for 1/1/2025 implementation date, as discussed in training
- Therefore if you are ready to move forward in January, please do so
- Major difference triggered by the change: All income certifications with an EFFECTIVE date of 7/1/2025 will be required to be HOTMA-compliant. (If we had implemented in January, we would go by signature date instead of effective date.)
- We have updated our forms with the most recent guidance
- The updated policy and forms will be available on our website



**An email blast was sent out and announcement posted in RCRS on the RCRS Home Screen under Announcements on 11/27/2024**



Home Property List Property Menu

## Add Unit Event

Event Type\*: Move In

Use HOTMA Rules\*: Yes

Event Date\*: 2/10/2025

Tenant Type\*: Low Income

Housing Assistance Type\*: No Assistance

DHHS Targeting\*: No



**Move-in Unit and Recertification Unit Events  
Indicate if implementing the HOTMA rules**



**North Carolina Housing Finance Agency: Policy Update 5.0**  
**Housing Opportunity Through Moderation Act (HOTMA)**  
*Required for all certifications effective 7/1/2025 or later (effective date not signature date)*

**Income (inclusions, exclusions, calculations)**

24 CFR § 5.609 (c)

- Inclusions: HOTMA removed the sources of income listed in 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)
  - Note: See Student Financial Assistance Section
  - Student employment income: Earned income of dependent full-time students is excluded in excess of the amount of the deduction for a dependent
  - Adoption Assistance: Include Adoption Assistance up to an amount equal to the current Dependent Deduction
- Exclusions:
  - Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
  - Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
  - Temporary, nonrecurring, or sporadic income
    - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
    - Day laborers, independent contractors, and seasonal workers are NOT considered temporary, nonrecurring, or sporadic and are all specifically included in family income
  - Workman's Compensation 24 CFR § 5.609 (c)(5)
  - Earned income of children under the age of 18 years
- Verifications:
  - New Requirement (except HOME/NHTF): Only required to obtain a minimum of TWO consecutive paystubs, no matter how often individual is paid
    - HOME/NHTF requirement remains unchanged: two MONTHS worth of pay stubs
  - NCHFA will not accept annual income determined by another administrator, regardless if that verification meets all the HUD requirements



[www.ncha.com](http://www.ncha.com)

Rental Housing Partners > Rental Owners & Managers >  
 Policies, Resources & Forms > Ownership/Management



**North Carolina Housing Finance Agency: Policy Update 5.0**  
**Housing Opportunity Through Moderation Act (HOTMA)**  
*Required for all certifications effective 7/1/2025 or later (effective date not signature date)*

**Assets (exclusions, verifications, calculations)**

24 CFR § 5.659 (e)

Note: Annual Asset Self-Certification Threshold (2024 = \$50,000, 2025 = \$51,600. To be adjusted annually by HUD)

- Asset Exclusions 24 CFR § 5.609 (b)(3)
  - Necessary personal property
    - Items essential to the household for day-to-day employment, education, health & wellness
    - Examples: furniture, clothing, medical equipment, common electronics
  - Non-necessary personal property with a combined value less than annual asset self-certification threshold is excluded
    - Items not essential to the household for day-to-day employment, education, health & wellness
    - Examples: recreational vehicles, bank accounts, collectibles
  - Retirement plans recognized as such by the IRS ([www.irs.gov](http://www.irs.gov))
    - Annuities, Stocks, Bonds, CDs, etc. that are part of a retirement account are also excluded
    - If receiving a distribution, the distribution is considered income
  - Federal & state tax refunds
    - If total net family assets exceed annual asset self-certification threshold the value of the tax returns must be verified
- Real Property in NC:
  - Land/building or structure/permanent fixture: Always counted as an asset 24 CFR § 5.100
  - A single/double wide home: if local office deems it personal property, it is not included as an asset and not listed on TIC
  - Real property where the household does not have the legal authority to sell is excluded
- Asset Verification:
  - Asset Self Certification:
    - HOME/NHTF must continue third party verification of ALL assets at move-in
    - When total household assets are below annual asset self-certification threshold, certify using the Asset Self Certification
    - When total household assets exceed annual asset self-certification threshold, all assets must be 3<sup>rd</sup> party verified
      - Unless tax return reduces household assets below the annual asset self-certification threshold
  - For ALL funding sources, the Asset Self Certification is permissible at annual recert



*Check often for updates  
 as new guidance is issued!*





## North Carolina Housing Finance Agency: Policy Update 5.0 Housing Opportunity Through Moderation Act (HOTMA)

Required for all certifications effective 7/1/2025 or later (effective date not signature date)

- Checking Accounts: 6-month average is no longer required. New requirement is the current balance, just as a savings account
- Joint Assets: Total cash value of the asset is counted (no matter the % of ownership to the household member), unless the asset is otherwise excluded or unless the household can demonstrate the asset is inaccessible
- Asset Income:
  - Impute assets only when total assets exceed annual asset self-certification threshold
  - Impute ONLY those where asset income is not verifiable
    - Impute using current HUD passbook rate
    - Never impute ALL asset value (unless ALL do not have verifiable income)
    - Example of imputed assets: Land does not have a verifiable asset income because it does not produce income (land will always be imputed)
- Disposed of Assets: All disposed of assets need to be considered. Removed the \$1,000 threshold.
- Actual income from assets is always counted, regardless if the asset itself is excluded (i.e. interest on a checking account)
- Note: Guidance, particularly related to assets, is constantly changing, more information on asset requirements to come in the future



[www.ncha.com](http://www.ncha.com)

Rental Housing Partners > Rental Owners & Managers >  
Policies, Resources & Forms > Ownership/Management



## North Carolina Housing Finance Agency: Policy Update 5.0 Housing Opportunity Through Moderation Act (HOTMA)

Required for all certifications effective 7/1/2025 or later (effective date not signature date)

### Student Financial Assistance

24 CFR § 5.609(b)(9)

Applies to ALL households, not just those receiving Section 8 assistance

- All student financial assistance over covered cost of education is included in income, except HEA Title IV Assistance
  - Actual Covered Costs: Tuition, Fees, Books & Supplies, Room & Board
  - Example of HEA Title IV Assistance: Federal Pell Grants
  - Applies to both full-time and part-time students

### Child Support

24 CFR § 5.609(a)(1)-(a)(2)

- Annual income includes "all amounts received", not the amount that a family may be legally entitled to receive but which they do not receive
  - If Child Support Enforcement is not involved and no CSE printout is available, NCHFA will allow the use of the Child Support Certification to be used as a self-affidavit
  - When calculating income: only the actual amount received is to be calculated

### Foster Adult & Child

24 CFR § 5.609(b)(8)

To be considered a foster adult/child; that adult/child must be placed with the family by an authorized placement agency (e.g. public child welfare agency)

- ALL income received by fosters is excluded from income
- Any assets held by fosters must be excluded
- Fosters must not be included when determining household size for income limits
  - Are included when determining bedroom size



**Implement HOTMA Successfully  
by becoming familiar with the Federal and State Policy**





## North Carolina Housing Finance Agency: Policy Update 5.0 Housing Opportunity Through Moderation Act (HOTMA)

Required for all certifications effective 7/1/2025 or later (effective date not signature date)

### Form Changes

- Asset Verification
- Child Support Certification
- Recertification Questionnaire
- Rental Application
- Student Financial Assistance Calculation Worksheet (New Form)
- Student Status – Assistance Verification (New Form)
- Tenant Income Certification (Required Form)
- Asset Self Certification (Required Form)

### Additional Guidance

- Published PIH/MFH housing notices, webinars, and other implementation assistance
  - Refer to the HOTMA MFH Webpage [https://www.hud.gov/program\\_offices/housing/mfh/hotma](https://www.hud.gov/program_offices/housing/mfh/hotma)



[www.ncha.com](http://www.ncha.com)

Rental Housing Partners > Rental Owners & Managers >  
Policies, Resources & Forms > Ownership/Management

NCHFA – Updated 12/1/2024



# Most Common File Review Noncompliance Issues

- RCRS does not match signed and uploaded TIC (Tenant information, Income & Assets, Rent, Subsidy, etc.)
- Move-in date entered in RCRS does not match documents
- All requested document are not uploaded for the review (not uploaded/execute addendums, not uploading all pages of the Lease, not uploading recertification documents)
- Missing unit events (recertification/update)
- Utility allowance not uploaded annually in RCRS
- Uploaded documents nor properly scanned in RCRS (wrong household, mislabeling uploaded documents, documents not legible)
- Not verifying Income/Assets correctly
- Not using NCHFA Required Forms, completing correctly/entirely
- Not having all household members 18 and older signing the TIC (it is not a requirement for all household members 18 and older to sign the Lease, but a good business practice)



**Recommend self-auditing for these issues**



# File Review Compliance Tip & Reminder

## Read the notification letter – only provide what is requested

- Clarification Statement – use as needed
- Income/Asset Calculation Worksheet – NCHFA version or software generated
  - Show your work (calculations)
  - Update for HOTMA changes
- If you have questions, email the Compliance Monitor conducting the review

## What to do with your 14-day time window

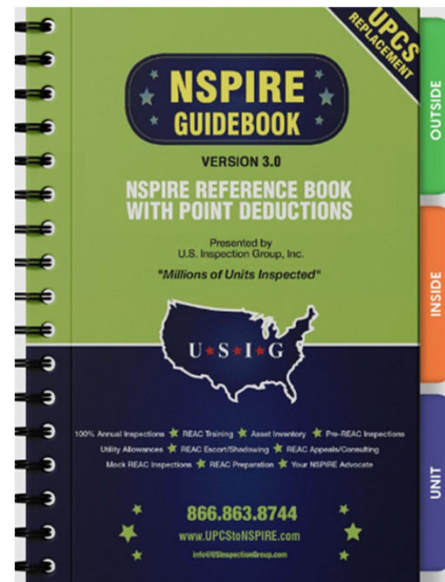
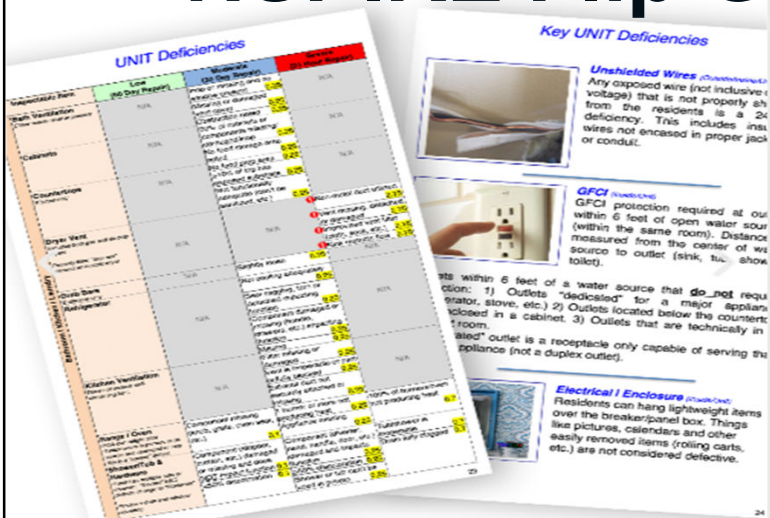
- Develop a plan
- Self audit – what is missing, check calculations, etc.
- Review management documents - Utility Allowance, etc.
- Have someone do second check



Self-corrections are notes as comments/observations and not noncompliance – make those corrections!



# NSPIRE Flip Guide Book



In-person participants will receive a copy of the Guide Book today



<https://usinspectiongroup.com/>



# The Elephant in the room

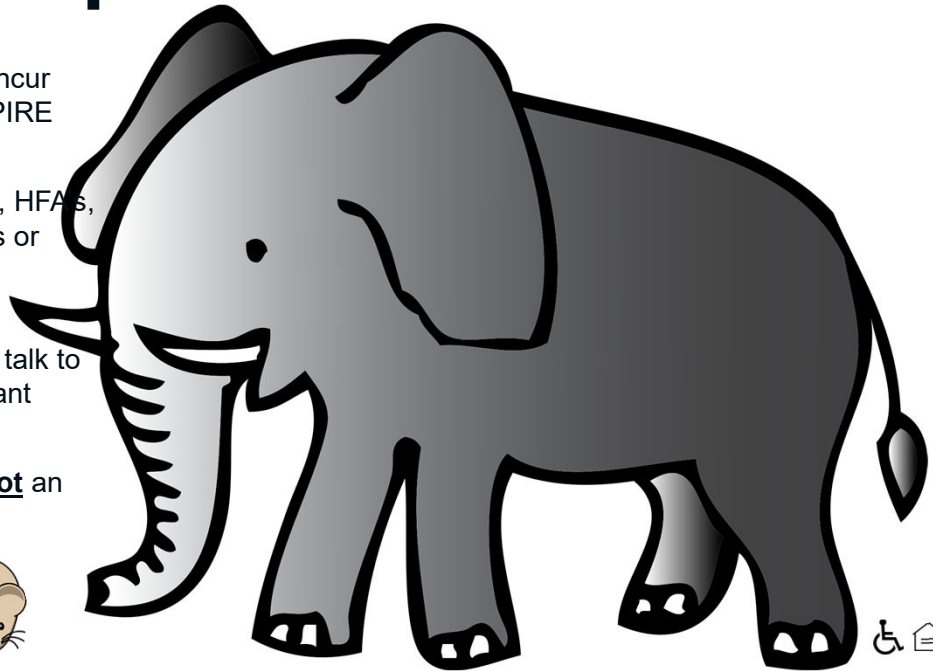
## For Owner Agents:

An owner agent may have to incur cost to bring property into NSPIRE compliance

No dedicated funds from HUD, HFAs, etc. to make necessary repairs or upgrades

**Possible** use of replacement reserves or project cash flow: talk to investors, lenders, other relevant parties

Lack of dedicated funding is **not** an excuse for noncompliance



## Physical Inspections: what are we looking for

- Conducted to ensure that the property and units are in compliance with the:
- National Standards for the Physical Inspection of Real Estate (NSPIRE)
- Standards adopted by the IRS
- State specific requirements

## Inspection Compliance Tips:

- Have a preventative maintenance schedule
- Walk your property on a regular basis
- Conduct random inspections
- When staff is inside apartments – look for work orders that need to be generated
- Budget properly for replacements and big repairs
- Deferred maintenance cost more in the future
- Notify staff of the rough schedule month in RCRS
- As soon as the inspection date is confirmed – notify everyone!





# Review Reminders – Inspection Day

## Review of Management Documents:

### All Properties

- Affirmative Fair Housing Marketing Plan (AFHMP) – Must have an approved plan by the Agency uploaded in RCRS and posted in a common area (must match)
- Tenant Selection Plan – Must have an approved plan by the Agency uploaded in RCRS and posted in a common area (must match)
- HUD Form 5381 - VAWA Emergency Transfer Plan posted in a common area and other VAWA forms used in Lease – Posted in office with applicable addenda(s)
  - RD AN No. 4814, 1/18/2017 Provides a Rural Development Emergency Plan that can be used for properties layered with RD in place of HUD Form 5381

### RPP Properties

- Management Plan – Ensure Agency approved copy uploaded in RCRS – if changes update

### CHDO Properties

- Tenant Grievance Procedures – Agency approved copy posted in a common area



# Review Reminders – Building Inspections

## Annual third-party inspections of building systems (if applicable)

- Elevator(s)
- Fire sprinkler, alarm systems, back flow
- Emergency backup generator, chiller and hot water boilers
- Rechargeable Fire extinguishers

## Reports must be available prior to the inspection, if they are not available on the day of the inspection, it will recorded as noncompliance

- Certificates and/or inspection reports must show that the systems or components have passed the inspection (within 12 months of our visit) and components work as intended
- Get an early start on these inspections
- If failed inspection, time will be needed for service calls and re-inspections
- Reports showing failing results will put the building(s) and/or components in noncompliance





# Review Reminders – Unit Selection

## Choosing units to be inspected:

- Sample size is based on funding type and compliance period status
- Vacant Unit Inspection Policy: Prior to 2021, the policy was to enter all units that have been vacant for more than 30 days, up to a maximum of 10. For 2025, we will only inspect 20% of units vacant over 30 days due to the anticipated workload. This policy will be reevaluated annually for the next few years, until workload moderates
- The Agency may inspect additional vacant or occupied units as deemed necessary up to 100% of units

## Units that will not be chosen:

### Special conditions when Agency - staff may not want inspect certain units

- Bedbug/insect infestation in apartment
- Resident is under eviction
- Unit is under a court related lock-out
- Resident who has a contagious illness
- Vicious dog barking or growling at the door and resident is not home
- A resident or residents that are verbally or physically abusive



### Reminder

Vacant Units over 6 months (rent ready or not) will be inspected and state noncompliance issued if no move-in scheduled



## North Carolina Housing Finance Agency: Policy Update 3.0 Physical Inspection Noncompliance Items

Effective January 1, 2024

### IRS Noncompliance – not included in NSPIRE

- Egress (sleeping rooms):
  - At least 2 points of egress must be unblocked (bedroom entry door AND a window)
    - Window: the full window must be open. Nothing above the window sill or blocking ANY part of the glassed opening
    - Door: must open to 90 degrees minimum and latch
- Egress (living space & bathroom):
  - Only needs 1 point of egress (only the door counts as egress)
    - Door must open to 90 degrees minimum and latch
- Vacant Unit: must be rent ready within 30 days (no outstanding repairs or maintenance issues)
- Dryer Vents: bird cage type covers observed on outside dryer vents (building code violation)
- Accessibility: All amenities, common areas, and accessible units must be in compliance

### State Noncompliance – not included in NSPIRE

- Market Appeal:
  - Indoor furniture observed outdoors (common areas and tenant patios)
  - Excessive trash/litter/tires/furniture observed throughout property
  - Cable/Telephone boxes: covers missing/exposed wires
  - Graffiti: More than 1 sq. ft & permanent OR Vulgar/gang related/threatening in ANY size
  - Non-working abandoned cars (wrecked, flat tires, safety concerns, used for storage)
  - Discarded smoking material in the mulch beds (potential fire hazard)
  - Vegetation:
    - Vegetation in unintended areas: nothing can touch roof/siding/mechanical equipment or other unintended surfaces.
    - Overgrown/excessive on fencing to where it affects curb appeal
    - Overgrown/excessive vegetation that blocks site exterior pole lighting



<https://www.nchfa.com/sites/default/files/2024-12/StateNoncompliance-NSPIRE.pdf>

NCHFA – Updated 1/2025



## Tips for a Successful Property Inspection

For programs in which the North Carolina Housing Finance Agency is required to perform physical inspections of the properties, we will use whichever inspection protocol is stipulated in the program’s regulations. Where we have discretion on the inspection standard, we will utilize the HUD National Standards for the Physical Inspection of Real Estate (NSPIRE). There are three inspectable areas when using this protocol:

1. **UNIT:** A “unit” of HUD housing refers to the interior components of an individual dwelling, where the resident lives.
2. **INSIDE:** “Inside” refers to the common areas and building systems within the building interior and are not inside a unit. This could include interior laundry facilities, workout rooms, and so on.
3. **OUTSIDE:** “Outside” refers to the building site, building exterior components, and any building systems located outside of the building or unit. This includes things like playgrounds, sidewalks, and air-conditioning units.



Included with the notification letter  
Share with all on-site staff



Standard Item	Deficiency	Deficiency Incident Count
Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault C	An unprotected outlet is present within six feet of a water source.	2429
Water Heater	The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.	2177
Smoke Alarm	Smoke alarm is not installed where required.	747
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	446
Fire Extinguisher	Fire extinguisher service tag is missing, illegible, or expired.	360
Door - General	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.	310
Electrical - Conductor, Outlet, and Switch	Exposed electrical conductor.	233
Refrigerator	Refrigerator component is damaged such that it impacts functionality.	216
Lighting - Auxiliary	Auxiliary lighting is damaged, missing, or fails to illuminate when tested.	200
Door - General	A door that is not intended to permit access between rooms has a damaged, inoperable, or missing component.	184
Toilet	Toilet is not secured at the base.	183
Smoke Alarm	Smoke alarm is obstructed.	174
Smoke Alarm	Smoke alarm does not produce an audio or visual alarm when tested.	166
Trip Hazard	Trip hazard on walking surface.	151
Window	Window component is damaged or missing and the window is not functionally adequate.	142
Wall - Interior	Interior wall has a hole that is greater than 2 inches in diameter or there is an accumulation of holes that are cumulatively greater than 6 inches by 6 inch	117
Water Heater	Temperature pressure relief (TPR) valve has an active leak or is obstructed or relief valve discharge piping is damaged, capped, has an upward slope, or is	103
Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.	101
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged.	95
Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault C	GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperable.	92
Sharp Edges	A sharp edge that can result in a cut or puncture hazard is present.	92



2024 NCHFA Inspections  
NSPIRE Noncompliance



Standard Item	Deficiency	Deficiency Incident Count
Egress	Egress window blocked.	405
Vacant Unit	Vacant longer than 6 months (rent ready or not)	346
QAP	Roll in Showers: missing weighted shower curtain on properties allocated 2006 or later.	238
Management Company Processes	Move in not reported in RCRS	237
Vacant Unit	Not rent ready	220
Other	Other - Deficiency	215
Non-Inspectable Area	Area not inspectable for any reason	176
Management Company Processes	Vacancy not reported in RCRS	148
Flammable and Combustible Item	Improperly stored flammable material (outside of NSPIRE)	133
QAP	Amenity listed in the Tax Credit application that is offline, unfurnished or not used for designated purposes.	120
Egress	Egress door will not open 90 degrees or will not latch.	104
Sidewalk, Walkway, and Ramp	Drop off on sidewalk greater than 3/4 inch.	97
Accessibility	Accessibility issue.	95
Cooking Appliance	Silicone/foil/disposable liners under burners or oven elements.	89
Egress	Egress 36" path of travel not available.	81
Documents	Documents: Sprinkler System Inspection	78
Electrical - Service Panel	Exterior electrical box/panel not secured	78
QAP	Fire protection - no fire stops or fire extinguisher in unit on properties allocated 2007 or later.	72
QAP	Smoking observed inside units on properties allocated 2015 or later.	65
Door - General	Interior Doors - any hole larger than 2 inches.	64
Documents	Documents: Fire Alarm and/or Fire Extinguisher Testing greater than 12 months or has unresolved deficiencies or report is unavailable	64
Documents	Documents: Backflow Testing	64



# 2024 NCHFA Inspections State Noncompliance



## Inspection Compliance Tips

- Have a preventative maintenance schedule
- Walk your property on a regular basis
- Conduct random inspections
- When staff is inside apartments – look for work orders that need to be generated
- Budget properly for replacements and big repairs
- Deferred maintenance cost more in the future
- Notify staff of the rough schedule month in RCRS
- As soon as the inspection date is confirmed – notify everyone!



**It is a professional business practice to be inspection ready... EVERYDAY!**



# Preliminary Inspection Report - Physical Inspection

03/20/2024 09:00 AM

Navigation Village / 978324  
Quietest Route Road, Vacation Town NC 27839

Sick - 1016, 1020  
Evictions - 1018  
Bedbugs - None  
Vacant Units - None

AFHMP - Uploaded in RCRS, Posted 3/23/2020  
TSP - Uploaded and Posted - January 2021  
Lease Uploaded  
MP - Uploaded  
5381 - Posted

Fire extinguishers 7/2023

## Property Observations

### Outside > 1234 Quietest (Building NC-95-14325)

Lighting - Exterior  
A permanently installed light fixture is damaged, inoperable, missing, or not secure.

Cover missing on porch light. Unit 1003

### Inside

Other  
Other - Comment

Water heater relief valve requires 2-6 inches clearance. Will be cited as noncompliance effective 1/1/2025.

## Unit Observations



### New Preliminary Inspection Report

- No more paper Physical Inspection Papers
- Copy of the Preliminary Inspection Report emailed to the signing management representative
  - Management representative responsible for forwarding management staff/owner
- If WIFI available at property, the copy can be received prior to the inspector leaving



## Unit Observations

Bldg. 7 1234 Quietest Circle (NC-95-14325) Unit 777

### Bedroom 1

#### Smoke Alarm

Smoke alarm is not installed where required.

Missing.

Warning: 24-hour correction required

### Bedroom 2

#### Smoke Alarm

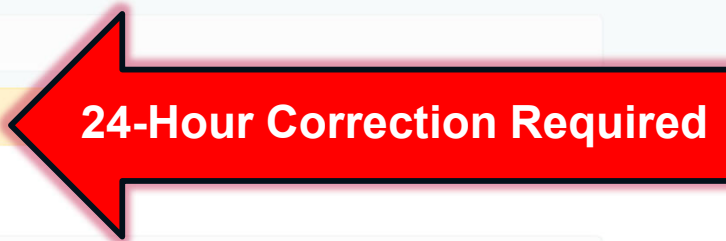
Smoke alarm is not installed where required.

Missing.

Warning: 24-hour correction required

### Bedroom 3

#### Smoke Alarm



### The Preliminary Inspection Report

- Will identify corrections that must be made within 24-hours
- Corrective documentation should indicate repair made within 24-hours
- Included with Management's response to the results letter (30 days)





Home | Property List | Property Menu | Actions

96834 -> Navigation Village -> Physical Inspection Details -> 2024 Physical Inspection



2024 Physical Inspection Return to Physical Inspections

General	Findings								
Dates	Standard Item	Deficiency	Building	Unit	Description	Notes	Finding Type	Finding Status	Date Corrected
Units	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker	(24 Hour Fix) An unprotected outlet is present within six feet of a water source.	No Building Selected	No Unit Selected	Public Laundry Room - The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	Compliance Issue	Cleared	
Findings	Documents	Documents: Affirmative Fair Housing Marketing Plan	No Building Selected	No Unit Selected	The plan uploaded in RCRS is dated 10/26/2020. The plan posted at the property is dated 2/17/2006.	Provide evidence that the correct plan has been posted at the property.	Compliance Issue	Un-Corrected	
	Documents	Documents: Tenant Selection Plan	No Building Selected	No Unit Selected	The plan uploaded in RCRS is dated 4/5/2020. The plan posted at the property is dated 10/18/2019.	Provide evidence that the correct plan has been posted at the property.	Compliance Issue	Un-Corrected	
	Wall - Interior	Interior wall has a loose or detached surface covering.	NC-98-00566	116	Bathroom 1		Compliance Issue	Cleared	
	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker	(24 Hour Fix) An unprotected outlet is present within six feet of a water source.	NC-98-00566	116			Compliance Issue	Cleared	
	Smoke Alarm	(24 Hour Fix) Smoke alarm is not installed where required.	NC-98-00566	116		Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	
	Smoke Alarm	(24 Hour Fix) Smoke alarm is not installed where required.	NC-98-00566	116	Room 2 => Missing.	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	

24-Hour Correction Required

(24 Hour Fix) Smoke alarm is not installed where required.

**24-Hour Correction Notice**  
**Will show up in RCRS under the finding tab**

# Reviews - Results Letter

Exhibit A  
 All Creatures Farm Community  
 Friday, February 16, 2024

**Noncompliance Issues:**



Bin #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	2/16/2024	IRS	The site sign is damaged and not legible	Provide a work order or invoice documenting the correction	Uncorrected
NC-20-007777	77	2/16/2024	IRS	The hall smoke detector is missing	Provide a work order documenting the correction	Uncorrected
NC-20-007777	77	2/16/2024	State	Observed evidence of smoking materials – cigarette butts in the hall bath toilet	Provide documentation the Lease is being enforced	Uncorrected
NC-20-007777	All	2/16/2024	State	Observed a hole in the siding that allows water penetration to the left of Unit #77 entry door	Provide a work order or invoice documenting the correction	Uncorrected

- Notifies Owner and Management of findings observed, and corrective action required if applicable
- Management will upload all responses (in PDF format) into RCRS within the allotted response timeframe (only noncompliance items require responses)

Concerns or Comments:

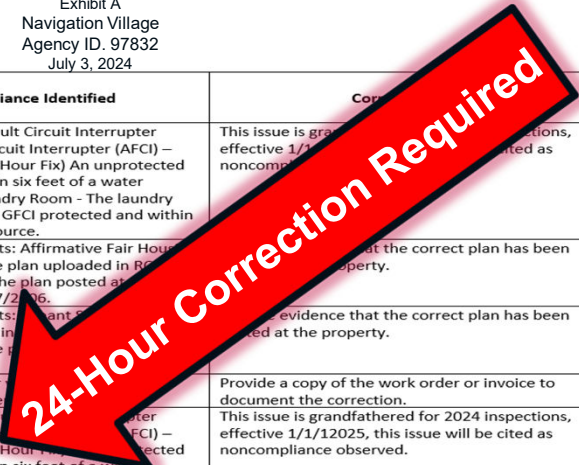
Unit #	Concern or Comment	Suggested Improvement to Strengthen Management Practices, if applicable
All	The back of the building patio ceiling has damage surfaces that needs to be repaired.	

**No Response Required For Concern or Comments**

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Correction	Date Corrected
All	All	07/01/2024	State	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker-(24 Hour Fix) An unprotected outlet is present within six feet of a water source. => Public Laundry Room - The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	No Finding
All	All	07/01/2024	State	Documents-Documents: Affirmative Fair Housing Marketing Plan => The plan uploaded in Results dated 10/26/2020. The plan posted at the property is dated 2/17/2026.	Provide evidence that the correct plan has been posted at the property.	Uncorrected
All	All	07/01/2024	State	Documents-Documents: Affirmative Fair Housing Marketing Plan => The plan uploaded in Results dated 10/26/2020. The plan posted at the property is dated 2/17/2026.	Provide evidence that the correct plan has been posted at the property.	Uncorrected
NC-98-00566	116	07/01/2024	State	Wall - Interior-Interior detached surface coverings missing.	Provide a copy of the work order or invoice to document the correction.	Uncorrected
NC-98-00566	116	07/01/2024	State	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker-(24 Hour Fix) An unprotected outlet is present within six feet of a water source. => Storage area => The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	No Finding
NC-98-00566	116	07/01/2024	State	Smoke Alarm-(24 Hour Fix) Smoke alarm is not installed where required. => Bedroom 1 => Missing.	Provide a copy of the work order or invoice to document the correction.	Uncorrected
NC-98-00566	116	07/01/2024	State	Smoke Alarm-(24 Hour Fix) Smoke alarm is not installed where required. => Bedroom 2 => Missing.	Provide a copy of the work order or invoice to document the correction.	Uncorrected

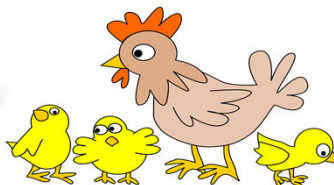
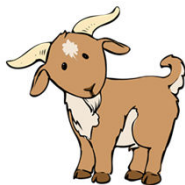


**24-Hour Correction Notice  
will show up in the Results Letter**



# Failure To Make 24-Hour Repairs

24 hour repairs were not completed timely, and a continued practice of not making timely repairs may result in being removed from the Approved Management List.






2024 Physical Inspection Return to Physical Inspections



General Findings Add Finding

Dates

Findings  Show Deleted

Documents			Standard Item	Deficiency	Building	Unit	Description	Corrective Action	Finding Type	Finding Status	Date Noncompliance	Date Corrected	Reportable
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	NC-16-19002	500-107	Bathroom 1 => Master bath cord tied up. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/13/2024		Reportable: 11c
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.	NC-16-19002	500-107	Bathroom 1 => Tape covering sprinkler head in master bath. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/13/2024		Reportable: 11c
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Other	Other - Comment	NC-16-19001	200-108	Storage area => Laundry room ceiling small area damage. 		Concern	Un-Corrected			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Other	Other - Comment	NC-16-19002	500-107	Kitchen => Housekeeping issues in kitchen that needs to be addressed with the resident.		Concern	Un-Corrected			

**Due to technology upgrades...the findings screen in RCRS has new colors!**  
**Noncompliance – the red shading is for noncompliance in the IRS period**  
 The orange shading is for noncompliance in the Extended Use Period  
 Comments and Observations remain the same – yellow and green





 

2024 Physical Inspection Return to Physical Inspections



General Findings Add Finding

Dates

Findings  Show Deleted

Documents			Standard Item	Deficiency	Building	Unit	Description	Corrective Action	Finding Type	Finding Status	Date Noncompliance	Date Corrected	Reportable
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Other	Other - Concern	No Building Selected	No Unit Selected	Unintended drop offs along sidewalks throughout property. 		Compliance Issue	Un-Corrected			State Deficiency
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Refrigerator	Refrigerator component is damaged such that it impacts functionality.	NC-93-00201	1C	Kitchen => Shelf missing. Fresh food bin is cracked. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/06/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Wall - Interior	Interior wall has a hole that is greater than 2 inches in diameter or there is an accumulation of holes that are cumulatively greater than 6 inches by 6 inches.	NC-93-00201	1C	Storage area => Sheetrock missing in water heater closet. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/06/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Lighting - Exterior	A permanently installed light fixture is damaged, inoperable, missing, or not secure.	NC-93-00202	No Unit Selected	The light fixture on the third floor breezeway is inoperable. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/06/2024		Extended Use

**Due to technology upgrades...the findings screen in RCRS has new colors!**  
**Noncompliance – the red shading is for noncompliance in the IRS period**  
 The orange shading is for noncompliance in the Extended Use Period  
 Comments and Observations remain the same – yellow and green

2024 Physical Inspection												Return to Physical Inspections	
General	Findings											Add Finding	
Dates	Delete Selected												
Findings												<input type="checkbox"/> Show Deleted	
Documents													
			Standard Item	Deficiency	Building	Unit	Description	Corrective Action	Finding Type	Finding Status	Date Noncompliance	Date Corrected	Reportable
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	NC-02-00046	104	Bathroom 1 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	04/11/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	NC-02-00046	104	Bedroom 1 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	04/11/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Electrical - Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI)	An unprotected outlet is present within six feet of a water source.	NC-02-00046	106	Standard => Washer electrical outlet not not 	For 2024, this is covered under the NSPIRE grace period, effective 1/1/2025, will be cited as noncompliance if observed.	Compliance Issue	Cleared	04/10/2024		Override Reportable
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	NC-02-00046	216	Bedroom 1 blocked blocks cord and too long. 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	04/11/2024		Extended Use

**Grace Period Reminder**

**The Deficiency**

**Addressing items covered under the NSPIRE Grace Period for 2024**

- Items will show as Noncompliance and state what the deficiency is
- The "Finding Status" will note "Cleared"
- This will serve as a reminder that these deficiencies will be Noncompliance effective 1/1/2025 when observed in any units inspected



2024 Physical Inspection												Return to Physical Inspection	
General	Findings											Add Finding	
Dates	Delete Selected												
Findings												<input type="checkbox"/> Show Deleted	
Documents													
			Standard Item	Deficiency	Building	Unit	Description	Corrective Action	Finding Type	Finding Status	Date Noncompliance	Date Corrected	Reportable
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Door - General	A passage door does not open.	NC-06-20001	111	Bathroom 1 => Door will not open to 90 degrees 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/05/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Sink	Sink or sink component is damaged or missing and the sink is not functionally adequate.	NC-06-20001	111	Bathroom 1 => Sink is rusted out (especially in the overflow spout) and needs to be replaced 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/05/2024		Extended Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>		Other	Other - Deficiency	NC-06-20001	111	Bathroom 1 => Mildew over tub area 	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	03/05/2024		State Deficiencies



**Pictures Now Available In RCRS**

If the inspector took a picture of the deficiency, it will show up in RCRS





2024 Physical Inspection Return to Physical Inspection

General Findings Add Finding

Dates

Findings

Documents

		Standard Item	Deficiency	Building	Unit	Description	Corre
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Door - General	A passage door does	111	Bathroom 1 => Door will not open to 90 degrees	Provi work to do corre
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other	Other - Deficiency	NC-06-20001	Bathroom 1 => Sink is rusted out (especially in the overflow spout) and needs to be replaced	Provi work to do corre
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other	Other - Deficiency	NC-06-20001	Bathroom 1 => Mildew over tub area	Provi work to do corre

**Click on the picture thumbnail to enlarge the picture**

**NORTH CAROLINA HOUSING FINANCE AGENCY**  
HousingBuildsNC.com

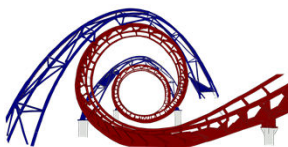
**Pictures Now Available In RCRS**

If the inspector took a picture of the deficiency, it will show up in RCRS

# Reviews Results Letter – File Review

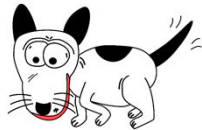
- Do not include a copy of the results letter
- Ensure to include what is asked for in the letter
- Do not back date corrections
- Do not use the “True and Accurate as of...” Statement
- Comments/Concerns do not require a response, but should be addressed internally to avoid potential future noncompliance
- If clarification is needed, reach out to the monitor that conducted the file review

**Tip: Keep correction documentation in order of the Exhibit A**



# Reviews Results Letter – Physical Inspections

- Provide a work order/invoice along with pictures documenting the correction
- Do not upload a copy of the Compliance Results Letter
- When to send a invoice/work order/Picture
  - Invoice – if a contractor/vendor does the work
  - Work Order – if staff completes repair
  - Picture – resident makes repair
  - Send only what is requested
- Make sure that the invoice/work order includes the date the work order is completed or it will be considered incomplete
- A bid or proposal is not satisfactory documentation that the noncompliance has been corrected



# Reviews - Final Report Letter

Exhibit A  
All Creatures Farm Community  
Friday, February 16, 2024

**Noncompliance Issues:**

Bin #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	2/16/2024	IRS	The site sign is damaged and not legible	Please provide a work order or invoice documenting the correction	3/4/2024
NC-20-007777	77	2/16/2024	IRS	The hall smoke detectors is missing	Please provide a work order documenting the correction	Uncorrectd
NC-20-007777	77	2/16/2024	State	Observed evidence of smoking material (cigarette butts in the hall bathroom toilet	Please provide evidence that the violation was addressed with the resident	3/4/2024
NC-20-007777	All	2/16/2024	State	Observed a hole in the siding that allows water penetration to the left of Unit #77 entry door	Please provide a work order documenting the correction	No Findings



- After compliance monitor reviews management’s response, the final report is released
- Notifies Owner & Management of corrective dates for noncompliance cited or cleared findings
- If in the compliance period, additional 15-day opportunity
- If items are left uncorrected, a compliance resolution packet will need to be submitted through RCRS to clear/correct items



# Reviews – Compliance Resolution Packet

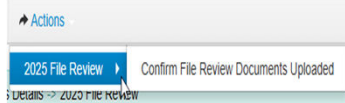


**Outstanding Noncompliance will not show up here**

- Uncorrected noncompliance (IRS/State/Program) remaining from the closed monitoring review, must be corrected to remain in good standing (Owner/Management)
- The owner/management company creates/uploads compliance resolution packet in RCRS
- Monitor will review provided documentation and mark findings as: corrected, cleared/no finding/uncorrected with correction action plan required
- The Owner Response Follow-up letter uploaded in RCRS
- If applicable, all findings of IRS noncompliance corrected/cleared are reported on an updated IRS Form 8823
- Agency does not send out reminder notifications of uncorrected noncompliance
- Instructional video on our YouTube Channel

### Reminder

When submitting any response you must click on “Action” after selecting the activity from the “red numbered drop down box” and follow the steps for the Monitor to receive the documents



# Increase your chance of having an award winning record by attending training

- Annual NCHFA training is a requirement to become and remain on the NCHFA Approved Management Company list
- Recommended site staff attend Compliance 101 and Targeting and Key Assistance Training annually to keep up with changes in compliance guidance
- In addition to NCHFA training, we recommend that all staff attend professional training



**Remember to budget for site staff to attend training annually**





## Reminders

- Registration for classes closes the two Thursdays before the week of training
  - Example: 11/5/2025 & 11/6/2025 Compliance 101 and Advanced closes 10/24/2025, 12am

## Understand the NCHFA, Refund, Cancelation Policy

Each person registering click the box indicating they read and are familiarly with the policy



Training Registration for all public training offered by NCHFA is available on our website:

[https://www.nchfa.com/events?field\\_event\\_type\\_tid=144](https://www.nchfa.com/events?field_event_type_tid=144)



## 2025 Compliance 101

## & Advanced Compliance Training

<u>Compliance 101</u>	<u>Date</u>
NCSU McKimmon Center – Raleigh (In-person)	4/2/2025
NCSU McKimmon Center – Raleigh (Virtual)	4/2/2025
Statesville Convention Center – Statesville (In-person)	6/10/2025
River Front Convention Center – New Bern (In-person)	8/19/2025
NCSU McKimmon Center – Raleigh (In-person)	10/29/2025
NCSU McKimmon Center – Raleigh (Virtual)	10/29/2025
Statesville Convention Center – Statesville (In-person)	11/18/2025
<b><u>Advanced Compliance Training</u></b>	
NCSU McKimmon Center – Raleigh (In-person)	4/3/2025
NCSU McKimmon Center – Raleigh (Virtual)	4/3/2025
Statesville Convention Center – Statesville (In-person)	6/11/2025
River Front Convention Center – New Bern (In-person)	8/20/2025
NCSU McKimmon Center – Raleigh (In-person)	10/30/2025
NCSU McKimmon Center – Raleigh (Virtual)	10/30/2025
Statesville Convention Center – Statesville (In-person)	11/19/2025



**Please don't opt of emails from CVENT, you won't get your survey/ certificate!**





# 2025 Targeting/Key Assistance Training & Supportive Housing Development Training

Targeting and Key Assistance Training	Date
NCSU McKimmon Center - Raleigh (In-person)	3/25/2025
NCSU McKimmon Center – Raleigh (Virtual)	3/25/2025
Statesville Convention Center – Statesville (In-person)	5/6/2025
Wilkes County Cooperative Extension Agency – Wilkesboro (In-person)	7/22/2025
River Front Convention Center – New Bern (In-person)	9/16/2025
McKimmon Center – Raleigh (In-person)	10/14/2025
McKimmon Center – Raleigh (Virtual)	10/14/2025

Supportive Housing Development Training Training	Date
New Hanover County Cooperative Extension Agency – Wilmington (In-person)	3/12/2025
NCSU McKimmon Center – Raleigh (In-person)	5/21/2025
NCSU McKimmon Center – Raleigh (Virtual)	5/21/2025
Iredell County Cooperative Board of Elections – Statesville (In-person)	7/17/2025
Caldwell County Board of Elections – Lenoir (In-person)	10/8/2025



Supportive Housing Development Training is for emergency and temporary housing providers such as shelters, group homes, hospice care centers, transitional housing, etc.



# NCHFA Instructional Video Clips



Available on the YouTube Play List for NCHFA Asset Management



# Fair Housing Webinars & Reasonable Accommodations for Housing Providers

Register at our training tab on the Agency website!

[https://www.nchfa.com/events?field\\_event\\_type\\_tid=144](https://www.nchfa.com/events?field_event_type_tid=144)



**Fair Housing Project**

A Project of Legal Aid of North Carolina



For more information contact

**Fredrika Murrill, Community Living Specialist**

[fmurrill@nchfa.com](mailto:fmurrill@nchfa.com) – (919) 981-5022



## LIHTC Certifications Accepted by NCHFA

**Housing Credit Certified Professional (HCCP)**

Sponsored by the National Association of Home Builders

AJ Johnson – [www.ajjcs.net](http://www.ajjcs.net)

Karen Graham - [www.compliancesupport.com](http://www.compliancesupport.com)

Mandi Barnes - [www.zeffert.com](http://www.zeffert.com)

Sheryl Putnam - [www.nanmckay.com](http://www.nanmckay.com)

Scott Michael Dunn - [www.costellico.com](http://www.costellico.com)

Amanda Gross - [www.us-hc.com](http://www.us-hc.com)

• For additional info or trainers contact the NAHB [www.nahb.org/hccpinfo](http://www.nahb.org/hccpinfo)

**Credit Certified Compliance Professional (C3P)**

• Sponsored by Spectrum Enterprises

• Contact Steve Rosenblatt

• [www.spectrumseminars.com](http://www.spectrumseminars.com)

**Tax Credit Compliance Systems (TaCCS)**

• Sponsored by Quadel

• [www.quadal.com/training.aspx](http://www.quadal.com/training.aspx)



**Budget early for training expenses for all staff!**



# LIHTC Certifications Accepted by NCHFA (cont.)

## Tax Credit Specialist (TCS)

- Sponsored by National Center for Housing Management
- [www.nchm.com](http://www.nchm.com)

## Specialist in Housing Credit Management (SHCM)

- Sponsored by National Housing Management Association
- [www.nahma.org](http://www.nahma.org)
- Note: NAHMA created the SHCM designation, but training and exams for this designation are provided by the local AHMAs. You can find the local listings on the NAHMA website or go directly to your local AHMA's website.
- [www.sahma.org](http://www.sahma.org)



**Remember to sign-up for continuing education requirements and pay annual renewals to maintain your certifications – required for the Approved Management List**



# Addressing IRS Noncompliance

## Issues addressed in the 8823 Guide published by the IRS

### Examples:

- Household over-income at move-in
- Violation of the Next Available Unit Rule
- Violation of the Student Rule
- Lack of proper Utility Allowance documentation
- Physical inspection violations

### IRS Form 8823 issues to:

- Report corrected or uncorrected noncompliance to the IRS (during the compliance period)
- Report sale/disposition of the property

This document is not an official pronouncement of the law or the position of the Service and cannot be used, cited, or relied upon as such. This guide is current through the revision date. Since changes may have occurred after the revision date that would affect the accuracy of this document, no guarantees are made concerning the technical accuracy after the revision date.  
The taxpayer names and addresses shown in this publication are hypothetical.

**Audit Technique Guide Revision Date: 1/24/2024**

<https://www.irs.gov/pub/irs-pdf/p5913.pdf>



# Addressing State/Program Noncompliance

## State Noncompliance

- Issues important to NCHFA that we expect the owner to address to remain in good standing with the Agency

Examples:

- Failure to maintain the required number of units at required lower-set-asides
- Failure to recertify annually for properties with Agency Loans
- Physical inspection noncompliance not found in the UPCS
- Noncompliance identified for properties in the extended use period

## Program Noncompliance

- Violations of program requirements that are not violations of the tax credit program

Examples:

- Violations of the Low HOME rent requirements
- Violations of the Key Program income requirements



**8823s are not issued for State/Program Noncompliance**

A large, colorful illustration of a circus tent with red and blue stripes, a red top, and a red flag on top. The tent is decorated with colorful bunting along the bottom edge. To the left of the tent is a pink sign that says "Thank you!" in a cursive font. To the right of the tent is the text "THE END" in large, bold, blue letters.

**Within seven (7) business days, you will receive your survey by email to complete. Once the survey is completed, you will receive a follow-up email with your training certificate.**

The logo for the North Carolina Housing Finance Agency, featuring a stylized house icon with red, blue, and green elements, and the text "NORTH CAROLINA HOUSING FINANCE AGENCY" and "HousingBuildsNC.com" below it.



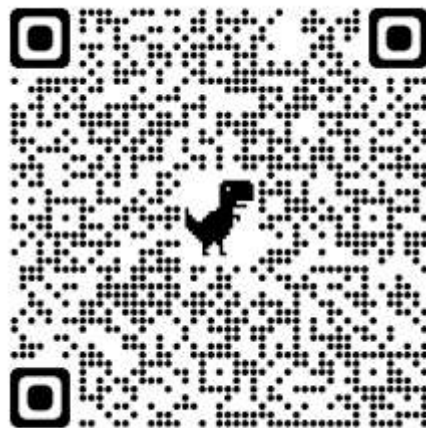


**NORTH  
CAROLINA  
HOUSING**  
FINANCE AGENCY

# Training Resources

## North Carolina Housing Finance Agency Asset Management – Compliance Manual

[https://www.nchfa.com/sites/default/files/page\\_attachments/Final%20Version%20-%20NCHFA%20Compliance%20Manual%20%2812-16-2021%29%20%281%29.pdf](https://www.nchfa.com/sites/default/files/page_attachments/Final%20Version%20-%20NCHFA%20Compliance%20Manual%20%2812-16-2021%29%20%281%29.pdf)



# HUD Website Links

HOME Laws and Regulations Website

<https://www.hudexchange.info/programs/home/home-laws-and-regulations/>



HUD 4350.3: Chapter 5, Exhibit 5-1, 5-2, Appendix 3 Link

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/hsg/4350.3](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/4350.3)



HUD NSPIRE Website

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/nspire](https://www.hud.gov/program_offices/public_indian_housing/reac/nspire)



HUD HOTMA Resources Website

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/hotmaresources](https://www.hud.gov/program_offices/public_indian_housing/hotmaresources)



# IRS Website Links

Low-income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit  
Technique Guide (Guide for completing IRS Form 8823) Revision Date 1/24/2024

<https://www.irs.gov/pub/irs-pdf/p5913.pdf>



Section 42

[https://uscode.house.gov/view.xhtml?req=\(title:26%20section:42%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:26%20section:42%20edition:prelim))



# North Carolina Housing Finance Agency: Policy Update 3.0

## Physical Inspection Noncompliance Items

Effective January 1, 2024

### IRS Noncompliance – not included in NSPIRE

- Egress (sleeping rooms):
  - At least 2 points of egress must be unblocked (bedroom entry door AND a window)
    - Window: the full window must be open. Nothing above the window sill or blocking ANY part of the glassed opening
    - Door: must open to 90 degrees minimum and latch
- Egress (living space & bathroom):
  - Only needs 1 point of egress (only the door counts as egress)
    - Door must open to 90 degrees minimum and latch
- Vacant Unit: must be rent ready within 30 days (no outstanding repairs or maintenance issues)
- Dryer Vents: bird cage type covers observed on outside dryer vents (building code violation)
- Accessibility: All amenities, common areas, and accessible units must be in compliance

### State Noncompliance – not included in NSPIRE

- Market Appeal:
  - Indoor furniture observed outdoors (common areas and tenant patios)
  - Excessive trash/litter/tires/furniture observed throughout property
  - Cable/Telephone boxes: covers missing/exposed wires
  - Graffiti: More than 1 sq. ft & permanent OR Vulgar/gang related/threatening in ANY size
  - Non-working abandoned cars (wrecked, flat tires, safety concerns, used for storage)
  - Discarded smoking material in the mulch beds (potential fire hazard)
  - Vegetation:
    - Vegetation in unintended areas: nothing can touch roof/siding/mechanical equipment or other unintended surfaces.
    - Overgrown/excessive on fencing to where it affects curb appeal
    - Overgrown/excessive vegetation that blocks site exterior pole lighting
- Fencing:
  - playground fencing must work as intended
  - decorative/dumpster enclosures no more than 20% damage (of total fence coverage)
  - If sharp edges are observed, that will be noted as a health & safety violation
- Wasps nests in common areas or areas that are subject to regular human contact or passage
- Grease discarded on building components or in the landscape bedding around the building
- Parking Lot:
  - Pooling of oil observed
  - Damages that result in cracks/gap/spalling at parking lots/driveways/roads that are under the supervision of management can be considered trip hazard, as these areas can be used by pedestrians
- All exterior electrical boxes/panels must be zip tied
- Retaining Walls: any size wall showing any sign of rot/deterioration/missing wall components (not landscape borders less than 1ft)
- Erosion/Ponding:
  - Large areas where soil has been displaced due to storm water
  - Ponding where water is within 25 ft of building and no rain within 48 hours
  - Any exposed footings on walkways and/or buildings (NSPIRE only cites when the rebar is exposed)
- Roof: observed 2 or more missing shingles in a single area of a roof
- Flammable Material: no gas/lighter fluid/self-starter charcoal can be in an enclosed space that is in or attached to a living space (NSPIRE only counts if within 3 ft of heat source)
- Tires and/or car parts observed in the unit and/or storage
- Broken water heater pan or plug missing
- Trip hazard: including non-temporary cable/power cords, torn/lifted carpet, damaged thresholds
- Unintended Drop-Offs: any sudden drop off a walkway greater than ¾"
- Range:
  - Appliance control display settings are faded/illegible
  - Only oven safe items can be stored inside oven
  - Silicone/foil/disposable liners under burners or oven elements are not acceptable
- Kitchen Cabinetry: more than 20% of cabinetry is damaged (NSPIRE allows for 50%)
- Kitchen Ventilation: self-circulating and vented range hoods will be treated as equal (NSPIRE does not inspect self-circulating)
- Any unit or room that is locked and not inspectable – regardless of the reason
- Evidence of feces or urine in unit or indoor common areas (pet or human)
- Tub: faucet or spout pulled away from wall (allows for water penetration)

NCHFA – Updated 1/2025



- Drug Paraphernalia of any kind observed
- Open flames left unattended (Such as candles) and/or incense being burned in/on anything other than an incense burner (example: in light switches, walls, slats of doors, laying on counter tops)
- Repairs must be made with like material and in a professional manner (in all inspectable areas)
- Tenant-provided fire extinguishers must remain charged and in operable condition
- Vacant Units: Utilities are not turned on during the inspection
- Vacant Units: units vacant over 6 months (rent ready or not) with no move-in scheduled
- Walls: Peeling/missing paint (regardless of year built) larger than 1 sq ft in a single room
- Electrical Panel: No items can be covering/blocking
- Sprinkler System: Any foreign object observed on the sprinkler head (NSPIRE allows for 75% coverage)
- Doors:
  - Interior Doors: any hole larger than 2" (golf ball size)
  - Storm Doors: inspectable and must function as intended (if screen included, will inspect like a window screen per NSPIRE)
- QAP Requirements (not all inclusive, only listing most common findings)
  - Smoking: All properties awarded credits 2015 or later, smoking is not allowed within 25 ft of building
    - Any time oxygen is available for use – smoking is prohibited (regardless of PIS date)
  - Roll in showers: All properties awarded credits 2006 or later, management is required to furnish a weighted shower curtain
  - Fire Protection: All properties awarded credits 2007 or later, management is required to furnish fire stops OR fire extinguishers in each unit
  - Amenities: Any amenity listed in the TC application that is offline, Unfurnished or not used for designated purposes
- Required Management Documents:
  - Tenant Selection Plan (bulletin board & RCRS)
  - Affirmative Fair Housing Marketing Plan (bulletin board & RCRS)
  - VAWA Emergency Transfer Plan (bulletin board only)
  - Blank Lease (RCRS for RPP properties)
  - Management Plan (approved in RCRS only for RPP)
  - 8609s with Part II completed and signed by the owner (uploaded into RCRS only)
  - Tenant Grievance Procedures (bulletin board & RCRS- CHDO properties)

**NSPIRE Items – Grace Period until October 1, 2025**

- GFCI: Required in all “wet” locations (interior and exterior) within 6 feet of a water source. If a major appliance outlet in “wet” area, the outlet must be GFCI protected or a single use outlet
- Guardrails: Required for elevated heights of 30 inches or more
- **\*\*NEW\*\*** Fire Labeled Doors (all defects)

**NSPIRE Items – No longer considered Grace Period and now considered NONCOMPLIANCE as of 1/1/2025**

- Bathroom Ventilation: All bathrooms must have a means of ventilation (Either mechanical or a window)
- Smoke Detectors: All smoke detectors must be hard wired OR have a 10-year tamper proof battery
- Water Heaters: new requirement is for TPR piping to be between 2” and 6” from the floor/pan and be made of “approved” material

\*HUD NSPIRE Resources: [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/nspire](https://www.hud.gov/program_offices/public_indian_housing/reac/nspire)

## North Carolina Housing Finance Agency: Policy Update 5.0 Housing Opportunity Through Moderation Act (HOTMA)

Required for all certifications effective 7/1/2025 or later (effective date not signature date)

### Income (inclusions, exclusions, calculations)

#### 24 CFR § 5.609 (c)

- Inclusions: HOTMA removed the sources of income listed in 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)
  - Note: See Student Financial Assistance Section
  - Student employment income: Earned income of dependent full-time students is excluded in excess of the amount of the deduction for a dependent
  - Adoption Assistance: Include Adoption Assistance up to an amount equal to the current Dependent Deduction
- Exclusions:
  - Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
  - Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
  - Temporary, nonrecurring, or sporadic income
    - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
    - Day laborers, independent contractors, and seasonal workers are NOT considered temporary, nonrecurring, or sporadic and are all specifically included in family income
  - Workman's Compensation 24 CFR § 5.609 (c)(5)
  - Earned income of children under the age of 18 years
- Verifications:
  - New Requirement (except HOME/NHTF): Only required to obtain a minimum of TWO consecutive paystubs, no matter how often individual is paid
    - HOME/NHTF requirement remains unchanged: two MONTHS worth of pay stubs
  - NCHFA will not accept annual income determined by another administrator, regardless if that verification meets all the HUD requirements

### Assets (exclusions, verifications, calculations)

#### 24 CFR § 5.659 (e)

Note: Annual Asset Self-Certification Threshold (2024 = \$50,000. 2025 = \$51,600. To be adjusted annually by HUD)

- Asset Exclusions 24 CFR § 5.609 (b)(3)
  - Necessary personal property
    - Items essential to the household for day-to-day employment, education, health & wellness
    - Examples: furniture, clothing, medical equipment, common electronics
  - Non-necessary personal property with a combined value less than annual asset self-certification threshold is excluded
    - Items not essential to the household for day-to-day employment, education, health & wellness
    - Examples: recreational vehicles, bank accounts, collectibles
  - Retirement plans recognized as such by the IRS ([www.irs.gov](http://www.irs.gov))
    - Annuities, Stocks, Bonds, CDs, etc. that are part of a retirement account are also excluded
    - If receiving a distribution, the distribution is considered income
  - Federal & state tax refunds
    - If total net family assets exceed annual asset self-certification threshold the value of the tax returns must be verified
- Real Property in NC:
  - Land/building or structure/permanent fixture: Always counted as an asset 24 CFR § 5.100
  - A single/double wide home: if local office deems it personal property, it is not included as an asset and not listed on TIC
  - Real property where the household does not have the legal authority to sell is excluded
- Asset Verification:
  - Asset Self Certification:
    - HOME/NHTF must continue third party verification of ALL assets at move-in
    - When total household assets are below annual asset self-certification threshold, certify using the Asset Self Certification
    - When total household assets exceed annual asset self-certification threshold, all assets must be 3<sup>rd</sup> party verified
      - Unless tax return reduces household assets below the annual asset self-certification threshold
  - For ALL funding sources, the Asset Self Certification is permissible at annual recert

- Checking Accounts: 6-month average is no longer required. New requirement is the current balance, just as a savings account
- Joint Assets: Total cash value of the asset is counted (no matter the % of ownership to the household member), unless the asset is otherwise excluded or unless the household can demonstrate the asset is inaccessible
- Asset Income:
  - Impute assets only when total assets exceed annual asset self-certification threshold
  - Impute ONLY those where asset income is not verifiable
    - Impute using current HUD passbook rate
    - Never impute ALL asset value (unless ALL do not have verifiable income)
    - Example of imputed assets: Land does not have a verifiable asset income because it does not produce income (land will always be imputed)
- Disposed of Assets: All disposed of assets need to be considered. Removed the \$1,000 threshold.
- Actual income from assets is always counted, regardless if the asset itself is excluded (i.e. interest on a checking account)
- Note: Guidance, particularly related to assets, is constantly changing, more information on asset requirements to come in the future

### **Student Financial Assistance**

24 CFR § 5.609(b)(9)

Applies to ALL households, not just those receiving Section 8 assistance

- All student financial assistance over covered cost of education is included in income, except HEA Title IV Assistance
  - Actual Covered Costs: Tuition, Fees, Books & Supplies, Room & Board
  - Example of HEA Title IV Assistance: Federal Pell Grants
  - Applies to both full-time and part-time students

### **Child Support**

24 CFR § 5.609(a)(1)-(a)(2)

- Annual income includes “all amounts received”, not the amount that a family may be legally entitled to receive but which they do not receive
  - If Child Support Enforcement is not involved and no CSE printout is available, NCHFA will allow the use of the Child Support Certification to be used as a self-affidavit
  - When calculating income: only the actual amount received is to be calculated

### **Foster Adult & Child**

24 CFR § 5.609(b)(8)

To be considered a foster adult/child; that adult/child must be placed with the family by an authorized placement agency (e.g. public child welfare agency)

- ALL income received by fosters is excluded from income
- Any assets held by fosters must be excluded
- Fosters must not be included when determining household size for income limits
  - Are included when determining bedroom size

### **Form Changes**

- Asset Verification
- Child Support Certification
- Recertification Questionnaire
- Rental Application
- Student Financial Assistance Calculation Worksheet (New Form)
- Student Status – Assistance Verification (New Form)
- Tenant Income Certification (Required Form)
- Asset Self Certification (Required Form)

### **Additional Guidance**

- Published PIH/MFH housing notices, webinars, and other implementation assistance
  - Refer to the HOTMA MFH Webpage [https://www.hud.gov/program\\_offices/housing/mfh/hotma](https://www.hud.gov/program_offices/housing/mfh/hotma)

# RENTAL APPLICATION

Office Use Only:

Date Rec'd: \_\_\_\_\_ Time: \_\_\_\_\_ am/pm

By (initials): \_\_\_\_\_

Development Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

# of Bedrooms Desired:  Eff  1 Br  2 Br  3 Br  4 Br  5 Br

**The following is to be completed in its entirety by household members ages 18 and older.**  
Please answer ALL questions. Do not leave any blank spaces. Write NONE or N/A where appropriate. Please print.

## **PART 1 – HEAD OF HOUSEHOLD DATA:**

Head of Household Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/> Widowed	
Have you ever used another name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate name:	

<input type="checkbox"/> Spouse <input type="checkbox"/> Co-Head <input type="checkbox"/> Other Adult	
Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/> Widowed	
Have you ever used another name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate name:	

Directions to Member: Please complete the table below listing each member of the household, whether or not those members are related. Include all members who you anticipate will live with you at least 50% or more of the time during the next 12 months. (A full-time student is anyone who is enrolled for at least five calendar months for the number of hours or courses which are considered full-time attendance by that institution. The five months need not be consecutive).

## **PART 2 – HOUSEHOLD COMPOSITION:**

	HOUSEHOLD MEMBER NAME(S)	RELATIONSHIP TO HEAD	DATE OF BIRTH	FULL TIME STUDENT (Y/N)	INCOME (Y/N)	SSN NUMBER
1.		Head				
2.						
3.						
4.						
5.						
6.						
7.						

Anticipated changes in household size within the next 12 months?  Yes  No If Yes, explain: \_\_\_\_\_

Are there any absent household members who normally reside in the household?  Yes  No If Yes, explain: \_\_\_\_\_

Anticipated change in number of students within the next 12 months?  Yes  No If Yes, explain: \_\_\_\_\_





**PART 3 – HOUSEHOLD INFORMATION:**

<b>RENTAL HISTORY</b> (must show most recent 2-year rental history)			
Household Member Name:			
	<b>Current Residence</b>	<b>Previous Residence</b>	<b>Previous Residence</b>
<b>Street Address:</b>			
<b>City, State, Zip:</b>			
<b>Select One:</b>	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other
<b>If other, explain:</b>			
<b>Owner/Landlord Name:</b>			
<b>Owner/Landlord #</b>			
<b>Reason for Leaving</b>			
<b>Dates of Residency</b> mm/yy	From: _____ To: _____	From: _____ To: _____	From: _____ To: _____

<b>RENTAL HISTORY</b> (must show most recent 2-year rental history)			
Household Member Name:			
	<b>Current Residence</b>	<b>Previous Residence</b>	<b>Previous Residence</b>
<b>Street Address:</b>			
<b>City, State, Zip:</b>			
<b>Select One:</b>	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other	<input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other
<b>If other, explain:</b>			
<b>Owner/Landlord Name:</b>			
<b>Owner/Landlord #</b>			
<b>Reason for Leaving</b>			
<b>Dates of Residency</b> mm/yy	From: _____ To: _____	From: _____ To: _____	From: _____ To: _____

Have you or any member(s) of the household ever had your lease terminated or been evicted?  Yes  No

Are you or any member(s) of your household receiving rental assistance (voucher, public housing, etc.)  Yes  No

Are you or any member(s) of your household currently fleeing from an abusive situation?  Yes  No

Are there any animals in the household?  Yes  No

Would you or any member(s) of the household benefit from the features of an accessible unit?  Yes  No

Do you or any member(s) of the household require any accommodations and/or modifications to the unit for any disability?  Yes  No

If yes to any question(s) above, please explain: \_\_\_\_\_

<b>EMERGENCY CONTACT INFORMATION</b>		
Name:		
Relationship:	Phone #:	Email:



**PART 4 – HOUSEHOLD ASSETS:**

Have you disposed of any assets for less than Fair Market Value within the last two years?  Yes  No

Do you or anyone in the household have any of the following assets? Please mark “yes” or “No” for each source of income.

Type of Asset	HEAD OF HOUSEHOLD		CO-HEAD		ADDITIONAL HOUSEHOLD MEMBERS	
	Check One	Cash Value	Check One	Cash Value	Check One	Cash Value
Cash on Hand	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Depository Debit Cards	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Checking Accounts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Savings/Money Market Accounts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Certificates of Deposits	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Stocks/Bonds	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Trust Funds (excluding irrevocable)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Real Estate/Land	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Mortgage or Deed of Trust	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Cryptocurrency (Bitcoin, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Life Insurance (excluding Term)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
GoFundMe/Crowdsourcing	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Mobile Payment Services (Venmo, CashApp, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Personal Property (Held as an investment)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other Investments	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<b>Have you received any lump sum payments such as the following:</b>						
Inheritances	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Lottery or other Winnings	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Insurance Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Workers' Compensation Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Social Security Disability Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Unemployment Compensation Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
VA Disability Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Severance Pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Capital Gains	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

**ASSET DETAILS** (detail ALL assets for ALL household members marked yes above)

HOUSEHOLD MEMBER NAME	TYPE OF ASSET	BANK/FINANCIAL INSTITUTION NAME	# OF ACCOUNTS



**PART 5 – SOURCES OF INCOME:**

Is income received from any of the following sources? Please mark “yes” or “No” for each source of income.

Type of Income	HEAD OF HOUSEHOLD		CO-HEAD		ADDITIONAL HOUSEHOLD MEMBERS	
	Check One	Monthly \$	Check One	Monthly \$	Check One	Monthly \$
Employment	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Self-Employment	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Gig Income (Ride Share, Food Delivery, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Regularly Recurring gifts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Social Security	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
SSI (Supplemental Security Income)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Retirement Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Pensions	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Disability or Death Benefits (not SSI)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
TANF or other Public Assistance	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Alimony	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Child Support	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Unemployment Compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Workers' Compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Income from Rental Property	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Military Pay, including all allowances	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Severance Pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Annuities Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Insurance Policies Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Scholarships/Grants/Work Study	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Long Term Care Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Income from Training Programs	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
List Other Income:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

**INCOME DETAILS** (detail ALL income for ALL household members marked yes above)

HOUSEHOLD MEMBER NAME	TYPE OF INCOME	COMPANY/PROVIDER NAME	CONTACT INFO



**PART 6- SIGNATURES:**

Must be signed and dated by all members of the household age 18 & older:

I/we understand that the above information is being collected to determine eligibility for residence.

I/we certify that all assets currently held or previously disposed of and all income sources have been listed on this application. I/we further certify that the statements made in this application are true and complete to the best of my/our knowledge and belief and are aware that false statements are punishable under Federal law.

I/we authorize the owner/manager to verify information provided on this application and the signature(s) below are the consent to obtain such verification.

_____ Printed Name	_____ Signature	_____ Date
_____ Printed Name	_____ Signature	_____ Date
_____ Printed Name	_____ Signature	_____ Date
_____ Printed Name	_____ Signature	_____ Date





# RECERTIFICATION QUESTIONNAIRE

Development Name: \_\_\_\_\_ Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Address: \_\_\_\_\_

**The following is to be completed in its entirety by household members ages 18 and older.**  
Please answer ALL questions. Do not leave any blank spaces. Write NONE or N/A where appropriate. Please print.

## **PART 1 – HEAD OF HOUSEHOLD DATA:**

Head of Household Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/> Widowed	
Have you ever used another name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate name:	

<input type="checkbox"/> Spouse <input type="checkbox"/> Co-Head <input type="checkbox"/> Other Adult	
Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/> Widowed	
Have you ever used another name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate name:	

Directions to Member: Please complete the table below listing each member of the household, whether or not those members are related. Include all members who you anticipate will live with you at least 50% or more of the time during the next 12 months. (A full-time student is anyone who is enrolled for at least five calendar months for the number of hours or courses which are considered full-time attendance by that institution. The five months need not be consecutive).

## **PART 2 – HOUSEHOLD COMPOSITION:**

	HOUSEHOLD MEMBER NAME(S)	RELATIONSHIP TO HEAD	DATE OF BIRTH	FULL TIME STUDENT (Y/N)	INCOME (Y/N)	SSN NUMBER
1.		Head				
2.						
3.						
4.						
5.						
6.						
7.						

Anticipated changes in household size within the next 12 months?  Yes  No If Yes, explain: \_\_\_\_\_

Are there any absent household members who normally reside in the household?  Yes  No If Yes, explain: \_\_\_\_\_

Anticipated change in number of students within the next 12 months?  Yes  No If Yes, explain: \_\_\_\_\_



**PART 3 – HOUSEHOLD ASSETS:**

Have you disposed of any assets for less than Fair Market Value within the last two years?  Yes  No

Do you or anyone in the household have any of the following assets? Please mark “yes” or “No” for each source of income.

Type of Asset	HEAD OF HOUSEHOLD		CO-HEAD		ADDITIONAL HOUSEHOLD MEMBERS	
	Check One	Cash Value	Check One	Cash Value	Check One	Cash Value
Cash on Hand	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Depository Debit Cards	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Checking Accounts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Savings/Money Market Accounts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Certificates of Deposits	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Stocks/Bonds	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Trust Funds (excluding irrevocable)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Real Estate/Land	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Mortgage or Deed of Trust	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Cryptocurrency (Bitcoin, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Life Insurance (excluding Term)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
GoFundMe/Crowdsourcing	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Mobile Payment Services (Venmo, CashApp, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Personal Property (Held as an investment)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other Investments	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<b>Have you received any lump sum payments such as the following:</b>						
Inheritances	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Lottery or other Winnings	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Insurance Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Workers' Compensation Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Social Security Disability Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Unemployment Compensation Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
VA Disability Settlements	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Severance Pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Capital Gains	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

**ASSET DETAILS** (detail ALL assets for ALL household members marked yes above)

HOUSEHOLD MEMBER NAME	TYPE OF ASSET	BANK/FINANCIAL INSTITUTION NAME	# OF ACCOUNTS



**PART 4 – SOURCES OF INCOME:**

Is income received from any of the following sources? Please mark “yes” or “No” for each source of income.

Type of Income	HEAD OF HOUSEHOLD		CO-HEAD		ADDITIONAL HOUSEHOLD MEMBERS	
	Check One	Monthly \$	Check One	Monthly \$	Check One	Monthly \$
Employment	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Self-Employment	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Gig Income (Ride Share, Food Delivery, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Regularly Recurring gifts	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Social Security	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
SSI (Supplemental Security Income)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Retirement Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Pensions	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Disability or Death Benefits (not SSI)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
TANF or other Public Assistance	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Alimony	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Child Support	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Unemployment Compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Workers' Compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Income from Rental Property	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Military Pay, including all allowances	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Severance Pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Annuities Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Insurance Policies Income	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Scholarships/Grants/Work Study	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Long Term Care Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Income from Training Programs	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
List Other Income:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

**INCOME DETAILS** (detail ALL income for ALL household members marked yes above)

HOUSEHOLD MEMBER NAME	TYPE OF INCOME	COMPANY/PROVIDER NAME	CONTACT INFO



**PART 5- SIGNATURES:**

Must be signed and dated by all members of the household age 18 & older:

I/we understand that the above information is being collected to determine eligibility for residence.

I/we certify that all assets currently held or previously disposed of and all income sources have been listed on this application. I/we further certify that the statements made in this application are true and complete to the best of my/our knowledge and belief and are aware that false statements are punishable under Federal law.

I/we authorize the owner/manager to verify information provided on this application and the signature(s) below are the consent to obtain such verification.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





# TENANT INCOME CERTIFICATION

Initial Certification    
  Recertification    
  Other\* \_\_\_\_\_

Effective Date: \_\_\_\_\_  
 Initial LIHTC Qualification Date: \_\_\_\_\_  
 Move-in Date: \_\_\_\_\_

## PART I. DEVELOPMENT DATA

Property Name: \_\_\_\_\_ County: \_\_\_\_\_ BIN #: \_\_\_\_\_  
 Address: \_\_\_\_\_ Unit Number: \_\_\_\_\_ #Bedrooms: \_\_\_\_\_

## PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (circle one)	Last 4 Digits of Social Security No.
1					FT / PT / NAP	
2					FT / PT / NAP	
3					FT / PT / NAP	
4					FT / PT / NAP	
5					FT / PT / NAP	
6					FT / PT / NAP	
7					FT / PT / NAP	

## PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr#	(A) Employment	(B) Social Security/Pensions	(C) Public Assistance	(D) Other Income
<b>TOTALS</b>	\$	\$	\$	\$
<b>Total Income (E):</b>				\$

## PART IV. ASSETS

### PART IVA. INCOME FROM ASSETS - LESS THAN OR EQUAL TO IMPUTED INCOME LIMITATION

Total net value from Non-necessary Personal Property (NNPP), Real Property, and Federal Tax Refunds/Credits has been verified as **LESS** than or **EQUAL** to the Imputed Income Limitation

Enter Total of **ACTUAL INCOME** earned from all Assets from the Asset Self-Certification Form **(F)**     \$

### PART IVB. INCOME FROM ASSETS – GREATER THAN IMPUTED INCOME LIMITATION

Total net value from Non-necessary Personal Property (NNPP) and Real Property has been verified as **GREATER** than the Imputed Income Limitation.

HH Mbr#	(G) Type of Asset	(H) C/D	(I) NNPP / Real/ Tax Relief	(J) Cash Value of Asset	(K) A/I	(L) Annual Income from Asset

Enter Total Income from all Assets **(M)**     \$

## PART V. TOTAL HOUSEHOLD INCOME

Total Annual Household Income from All Sources [Add (E) + (F) **OR** (E) + (M)]     \$

## HOUSEHOLD CERTIFICATION & SIGNATURE(S)

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PART VI. DETERMINATION OF INCOME ELIGIBILITY**

**RECERTIFICATION ONLY:**

TOTAL ANNUAL HOUSEHOLD INCOME  
FROM ALL SOURCES: \$ \_\_\_\_\_  
From Part V. on Page 1

Designated Income Restriction:

Current Income Limit x 140%: \$ \_\_\_\_\_

Current Income Limit per Family Size: \$ \_\_\_\_\_

80%     70%

60%     50%

40%     30%

Household Income at Move-in: \$ \_\_\_\_\_

20%     \_\_\_\_\_%

Household is over income at recertification:

Household Size at Move-in: \_\_\_\_\_

Yes     No

**PART VII. RENT**

Tenant Rent: \$ \_\_\_\_\_

Unit Meets Rent Restriction at:

Utility Allowance: \$ \_\_\_\_\_

80%     70%

Rental Assistance: \$ \_\_\_\_\_

60%     50%

Other non-optional / mandatory fees: \$ \_\_\_\_\_

40%     30%

Gross Rent for Unit (See Instructions): \$ \_\_\_\_\_

20%     \_\_\_\_\_%

Is the source of Rental Assistance Federal?     Yes     No

*If No, what is the source of the assistance?* \_\_\_\_\_

HUD Multi-Family Project-Based Rental Assistance (PBRA)

HUD Housing Choice Voucher (HCV-tenant based)

HUD Section 8 Moderate Rehabilitation

HUD Project-Based Voucher (PBV)

Public Housing Operating Subsidy

USDA Section 521 Rental Assistance Program

HOME Tenant Based Rental Assistance (TBRA)

Other Federal Rental Assistance \_\_\_\_\_

**PART VIII. STUDENT STATUS**

Are all occupants Full-Time Students?

If Yes, enter Student Explanation\* and attach documentation

Student Explanation:

1. TANF assistance
2. Previously in state foster care system
3. Job Training Program
4. Single parent/dependent child
5. Married/joint return

Yes     No

Enter 1-5: \_\_\_\_\_

**PART IX. PROGRAM TYPE**

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this Certification.

a. Housing Credit

b. HOME

c. Tax-exempt Housing Bond

d. National HTF

e. \_\_\_\_\_

See Part VI above.

*Income Status:*

*Income Status:*

*Income Status:*

*Income Status:*

- ≤ 50% AMGI
- ≤ 60% AMGI
- ≤ 80% AMGI
- OI\*\*

- ≤ 50% AMGI
- ≤ 60% AMGI
- ≤ 80% AMGI
- OI\*\*

- 30%/Poverty Line
- ≤ 50% AMGI
- OI\*\*

- \_\_\_\_\_%
- \_\_\_\_\_%
- OI\*\*

\*\* Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

**SIGNATURE OF OWNER/REPRESENTATIVE**

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

\_\_\_\_\_  
*Owner/representative Signature*

\_\_\_\_\_  
*Date*

# ASSET SELF-CERTIFICATION

ANNUAL ASSET THRESHOLD: \_\_\_\_\_

For households whose combined assets do not exceed the annual asset self-certification threshold. Complete only one form per household; include assets of all household members including children. **Form cannot be used for HOME/NHTF at move-in.**

Development Name: \_\_\_\_\_

Head of Household Name: \_\_\_\_\_ Unit No: \_\_\_\_\_

Certification Type:  Initial  Recertification (Effective Date: \_\_\_\_\_)

## PART 1 – SELECT ONE OPTION:

- I/we do not have any assets at this time (move to Part 2):  
 I/we have the following assets (enter n/a if you do not own the respective asset):

**Note: Be sure to include the value of any cash or other asset in a safe deposit box or any other means of storage.**

\* Cash value is market value minus cost to convert an asset to cash, such as broker's fees, settlement costs, outstanding loans, penalties for early withdrawal, etc.

NON-NECESSARY PERSONAL PROPERTY							
TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME	TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME
<b>Non-necessary personal property</b> (non-account assets such as RVs, ATVs, boats, antique cars, stamp collections, etc.)				<b>Annuities</b> (current balance)	\$		\$
<b>Description:</b>	\$		\$	<b>Brokerage accounts</b> current account balance (mutual funds, etc.)	\$		\$
<b>Description:</b>	\$		\$	<b>Life Insurance</b> (not term life)	\$		\$
<b>Cash on hand</b>	\$		N/A	<b>Cryptocurrency</b> (Bitcoin, etc.)	\$		\$
<b>Checking</b> (current balance)	\$		\$	<b>Stocks/Bonds</b> (current balance)	\$		\$
<b>Savings</b> (current balance)	\$		\$	<b>CD/Money Market</b> (current balance)	\$		\$
<b>Debit cards</b> (not linked to an account that is listed above)	\$		N/A	<b>Trust accounts</b> (current balance)	\$		\$
<b>Internet based assets</b> (Cash App, Venmo, PayPal, ApplePay, etc.)	\$		\$	<b>Lump sum amounts received</b> not listed in above accounts (lottery/inheritance, etc.)	\$		\$
<b>Other   Description:</b>	\$		\$	<b>Other   Description:</b>	\$		\$
<b>[A] Total cash value of non-necessary personal property:</b>					\$	<b>[B] Total Income:</b>	\$

*Important Note | if the above total value [A] is less than the annual asset self-certification threshold, it is not added into the Total Net Assets Section [F] below. However, total income from non-necessary personal property above is added to total income [G] below.*

REAL PROPERTY			
DESCRIPTION OF PROPERTY	CASH VALUE	INCOME	
	\$		\$
	\$		\$
<b>[C] Total real property value:</b>	\$	<b>[D] Total real prop income:</b>	\$

TOTAL NET ASSETS AND INCOME			
<b>[E] Tax Refund.</b> Have you received a tax return or refundable tax credit in the last 12 months? <input type="checkbox"/> yes <input type="checkbox"/> no <span style="font-size: small;">value of return/credit</span>	\$	<b>Subtract tax return/credit (if any) from total net assets. See formula for [F]</b>	
<b>[F] Total Net Assets: (Total real property [C] + non-necessary personal property [A] (if [A] exceeds annual asset self-certification threshold) - [E] tax return/refundable credit)</b>	\$	<b>[G] Total Asset Income: [B] + [D]</b>	\$

## PART 2 – SELECT ONE OPTION:

- Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) below fair market value (FMV). Those amounts equal a total of: \$\_\_\_\_\_ (enter the difference between FMV and the amount you received).  
 I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

All household members age 18 or older must sign and date.

Under penalty of perjury, I/we certify that the information presented in this certification is true and accurate to the best of my/our knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of a lease agreement.

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date



# CHILD SUPPORT CERTIFICATION

One form to be completed per household when applicable.

Development Name: \_\_\_\_\_

Applicant/Resident Name: \_\_\_\_\_ Unit No: \_\_\_\_\_

Certification Type:  Initial  Recertification (Effective Date: \_\_\_\_\_)

## **PART 1 – SELECT ONE OPTION:**

**Yes** Child Support **IS** being collected and distributed to this household through a child support enforcement agency.

(Include CSE printout as documentation of child support received over the past 12 months.)

**No** Child Support is **NOT** being collected and distributed to this household through a child support enforcement agency.

## **PART 2 – CHECK ALL THAT APPLY:**

In addition to any child support disclosed in Part 1, support/compensation **IS** being received for the following:

NAME	AMOUNT	FREQUENCY
		<input type="checkbox"/> monthly <input type="checkbox"/> bi-weekly <input type="checkbox"/> weekly <input type="checkbox"/> other:
		<input type="checkbox"/> monthly <input type="checkbox"/> bi-weekly <input type="checkbox"/> weekly <input type="checkbox"/> other:
		<input type="checkbox"/> monthly <input type="checkbox"/> bi-weekly <input type="checkbox"/> weekly <input type="checkbox"/> other:
		<input type="checkbox"/> monthly <input type="checkbox"/> bi-weekly <input type="checkbox"/> weekly <input type="checkbox"/> other:

Support/compensation is **NOT** being received from any source for the following:

NAME

NAME

Under penalty of perjury, I/we certify that the information presented in this certification is true and accurate to the best of my/our knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of a lease agreement.

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date





# STUDENT FINANCIAL INCOME WORKSHEET

One form to be completed PER student receiving financial assistance.  
Attach required documentation as needed.

Development Name: \_\_\_\_\_

Applicant/Resident Name: \_\_\_\_\_

Unit No: \_\_\_\_\_

Certification Type:     Initial         Recertification (Effective Date: \_\_\_\_\_)

**The following is to be completed by management.**  
Information utilized to determine amounts to be listed on Tenant Income Certification.  
(Note: Information disclosed may require additional documentation)

Name of Institution of Higher Education: \_\_\_\_\_

Property Owner(s): \_\_\_\_\_

**PART 1 – FINANCIAL ASSISTANCE**

		SOURCE/ADDITIONAL INFO	VALUE
A	HEA Title IV Assistance (Excluded from Value F)		
B	Grants (combined)		
C	Scholarships (combined)		
D	Gifts Paying for Education (combined)		
E	Other Source		
F	Total Assistance NOT Title IV (B + C + D + E)		

**PART 2 – EDUCATIONAL EXPENSES**

		SOURCE/ADDITIONAL INFO	VALUE
G	Cost of Tuition & Fees		
H	Cost of Books		
I	Cost of Room & Board		
J	Total Cost of Educational Expenses (G + H + I)		

**PART 3 – INCOME CALCULATION**

Is Value A more than or equal to Value J?     Yes     No

If yes, Value F is the financial assistance income

**Total Income \$** \_\_\_\_\_

If no, calculate Value A + Value F – Value J = financial assistance income

**Total Income \$** \_\_\_\_\_

Note: Additional resources provided by HUD regarding student financial assistance  
<https://files.hudexchange.info/resources/documents/Student-Financial-Assistance-Resource-Sheet.pdf>



# STUDENT STATUS/ASSISTANCE VERIFICATION

The individual named below is an applicant/resident of a housing program that requires verification of student status. The information provided will remain confidential and used only to determine eligibility. Please complete and return promptly.

DATE: \_\_\_\_\_

SCHOOL NAME: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

DEVELOPMENT NAME: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

**RELEASE STATEMENT FOR APPLICANT/RESIDENT** I hereby authorize the above-named management agent to make inquiries regarding release of information for the purpose of determining my eligibility for occupancy.

PRINTED NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**The following is to be completed by school representative**  
Please fill in ALL blanks. Enter N/A if an item is not applicable to the above-named student, for the **current** calendar year  
(Note: Information provided may require additional documentation)

**PART 1 – PLEASE COMPLETE:**

Currently Enrolled:  Yes  No

If yes, Enrollment Date: \_\_\_\_\_

If no, has this individual been a student in ANY month in the current calendar year of \_\_\_\_\_  Yes  No

If no, Last Class Date: \_\_\_\_\_ (Skip Part 2 & 3; Sign & Date the bottom)

If yes, please complete Part 2 (skip Part 3).

**PART 2 – PLEASE COMPLETE:**

Please indicate the individual student's full-time (FT) or part-time (PT) status for each month in the calendar year \_\_\_\_\_:

(Note: part-time is defined as any amount of schooling that is not considered full-time by the applicable educational institution)

January	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	May	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	September	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A
February	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	June	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	October	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A
March	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	July	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	November	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A
April	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	August	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	December	<input type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A

Is student a participant in a program funded under the Workforce Innovation and Opportunity Act or a similar program?  Yes  No

**PART 3 – PLEASE COMPLETE:**

Total cost of tuition & fees \$ \_\_\_\_\_  Per Semester  Per Quarter

Total cost of room & board \$ \_\_\_\_\_  Per Semester  Per Quarter

Total financial assistance including scholarships, grants, etc. per semester (public or private, excluding student loans)

TYPE	SOURCE	AMOUNT	FREQUENCY
Grants or Federal/State Aid (Assistance under HEA Title IV)		\$	<input type="checkbox"/> Per Semester <input type="checkbox"/> Per Quarter
Scholarships (combined)		\$	<input type="checkbox"/> Per Semester <input type="checkbox"/> Per Quarter
Other Source		\$	<input type="checkbox"/> Per Semester <input type="checkbox"/> Per Quarter

**AUTHORIZED REPRESENTATIVE:**

I certify that the above information is true and correct to the best of my knowledge.

Signature/Title: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Direct Phone: \_\_\_\_\_

School Name: \_\_\_\_\_

Email: \_\_\_\_\_



# STUDENT FINANCIAL INCOME CERTIFICATION

One form to be completed PER student receiving financial assistance.  
Attach required documentation as needed.

Development Name: \_\_\_\_\_

Applicant/Resident Name: \_\_\_\_\_

Unit No: \_\_\_\_\_

Certification Type:      Initial            Recertification (Effective Date: \_\_\_\_\_)

Name of Institution of Higher Education: \_\_\_\_\_

You have disclosed that you are a student at an educational organization described in IRC §170(b)(1)(A)(ii) or are pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in IRC §170(b)(1)(A)(ii) or of a state or political subdivision of a state.

For each of the following types of student financial assistance, please check **Yes** or **No**.

## **PART 1 – AMOUNTS RECEIVED UNDER SECTION 479B OF THE HIGHER EDUCATION ACT (HEA) OF 1965**

Section 479B provides that certain types of student financial assistance are excluded in determining eligibility for benefits made available through federal, state, or local programs financed with federal funds. The types of financial assistance listed below are considered 479B student financial assistance programs; however, this list is not exhaustive. If a source is not listed, please identify as "Other":

	<b>Type</b>	<b>Received</b>	<b>Amount</b>
1.	Federal Pell Grants	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
2.	TEACH Grants	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
3.	Federal Work Study Programs	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
4.	Federal Perkins Loans	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
5.	Student financial assistance received under the Bureau of Indian Education	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
6.	Higher Education Tribal Grant	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
7.	Tribally Controlled Colleges or Universities Grant Program	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
8.	Employment training program under Section 134 of the Workforce Innovation and Opportunity Act (WIOA)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
9.	Other amounts awarded under Section 479B	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<b>TOTAL Received</b>			\$

## **PART 2 – AMOUNTS RECEIVED AS OTHER FINANCIAL ASSISTANCE**

Other student financial assistance includes grants or scholarships (either need-based or merit-based) received from the following sources:

	<b>Type</b>	<b>Received</b>	<b>Amount</b>
1.	The Federal government	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
2.	A state (including U.S. territories), Tribe, or local government	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
3.	A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
4.	A business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
5.	An institution of higher education	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<b>TOTAL Received</b>			\$

**PART 3 – OTHER MONETARY CONTRIBUTIONS**

	Type	Received	Amount
1.	Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship) that is not excluded from eligibility determination in accordance with section 479B of the Higher Education Act HEA	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
2.	Gifts, including gifts from family or friends	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<b>TOTAL Received</b>			\$

**PART 4 – COVERED COSTS**

For each of the covered cost associated with attendance, identify how the cost will be covered.

	Cost	Method of Payment
1.	Tuition	
2.	Books	
3.	Supplies (including supplies and equipment to support students with learning disabilities or other disabilities)	
4.	Room	
5.	Board	
6.	Fees required and charged to a student by an institution of higher education	

Under penalty of perjury, I/we certify that the information presented in this certification is true and accurate to the best of my/our knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of a lease agreement.

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date

**The following is to be completed by management.**

Information utilized to determine amounts to be listed on Tenant Income Certification.  
(Note: Information entered below is gathered from THIS form and the Student Status/Assistance Verification Form)

Total Amount Received – Part 1: \$ \_\_\_\_\_ (Value A)

Total Amount Received – Part 2 + Part 3: \$ \_\_\_\_\_ (Value B)

Total Covered Cost: \$ \_\_\_\_\_ (Value C)

\*Note: Covered cost is found on the Student Status/Assistance Verification Form)

Is Value A more than or equal to Value C?  Yes  No

If yes, Value B is the financial assistance income

**Total Income \$ \_\_\_\_\_**

If no, calculate Value A + Value B – Value C = financial assistance income

**Total Income \$ \_\_\_\_\_**





Federal, State, or regional entities. These flood hazard determinations are used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the revised flood hazard information shown on the Preliminary FIRM and FIS report that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in support of the appeal resolution process. SRPs are independent panels of

experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at [https://www.floodsrp.org/pdfs/srp\\_overview.pdf](https://www.floodsrp.org/pdfs/srp_overview.pdf).

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://>

[hazards.fema.gov/femaportal/prelim\\_download](https://hazards.fema.gov/femaportal/prelim_download) and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison. (Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

**Nicholas A. Shufro,**  
Deputy Assistant Administrator for Risk Management, Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Woodson County, Kansas and Incorporated Areas Project: 21-07-0019S Preliminary Dates: February 3, 2023 and September 29, 2023	
City of Neosho Falls .....	Woodson County Courthouse, 105 West Rutledge Street, Yates Center, KS 66783.
City of Toronto .....	City Hall, 215 West Main Street, Toronto, KS 66777.
City of Yates Center .....	City Hall, 117 East Rutledge Street, Yates Center, KS 66783.
Unincorporated Areas of Woodson County .....	Woodson County Courthouse, 105 West Rutledge Street, Yates Center, KS 66783.

[FR Doc. 2024-01944 Filed 1-30-24; 8:45 am]  
BILLING CODE 9110-12-P

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-6410-N-01]

**Federally Mandated Exclusions From Income—Updated Listing**

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing; Office of the Assistant Secretary for Housing-Federal Housing Commissioner; and Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice.

**SUMMARY:** HUD’s regulations provide for HUD to periodically publish in the **Federal Register** a notice that lists sources of income specifically excluded by any Federal statute from consideration as income for purposes of determining eligibility or benefits in a HUD program. HUD last published a notice that listed federally mandated exclusions from consideration of income on May 20, 2014. This notice replaces the previously published version, adds new exclusions, and removes exclusions that are now codified in HUD regulations.

**FOR FURTHER INFORMATION CONTACT:** For Multifamily Housing programs: Jennifer Lavorel, Director, Program Administration Office, Office of Asset Management and Portfolio Oversight, telephone number 202-402-2515. For other Section 8 programs administered under 24 CFR part 882 (Moderate Rehabilitation) and under part 982 (Housing Choice Voucher): Ryan Jones, Director, Housing Voucher Management and Operations Division, Office of Public and Indian Housing, telephone number 202-402-2677. For Public Housing Programs administered under part 960: Kymian Ray, Director, Public Housing Management and Occupancy Division, Office of Public and Indian Housing, telephone number 202-402-2065. For Indian Housing Programs: Heidi Frechette, Deputy Assistant Secretary, Office of Native American Programs, Office of Public and Indian Housing, telephone number 202-401-7914. For the HOME Investment Partnerships Program and the Housing Trust Fund Program, Virginia Sardone, Director, Office of Affordable Housing Programs, Office of Community Planning and Development, at 202-708-2684, Room 7160; Rita Harcrow, Director, Office of HIV/AIDS Housing, Office of Community Planning and Development, at 202-402-5374, Room

7248; Jessie Kome, Director, Office of Block Grant Assistance, Office of Community Planning and Development, at 202-402-5539, Room 7282. The mailing address for each office contact is Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410. With the exception of the telephone number for the PIH Information Resource Center, these are not toll-free numbers. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

*Please note:* Members of the public who are aware of any other Federal statutes that require certain income sources to be excluded from income or asset calculations in HUD programs, but are not mentioned in the notice, should submit information about the statute and the benefit program to one of the persons listed in the “For Further Information Contact” section above. Members of the public may also submit this information to the Regulations Division, Office of General Counsel, Department of Housing and Urban

Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.

**SUPPLEMENTARY INFORMATION:** Under several HUD programs (Mortgage Insurance and Interest Reduction Payment for Rental Projects under 24 CFR part 236; Section 8 Housing Assistance programs; Public Housing programs); HOME Investment Partnerships Program under 24 CFR part 92; Housing Trust Fund under 24 CFR part 93; Housing Opportunities for Persons With AIDS under 24 CFR part 574, the definition of income excludes amounts of other benefits specifically excluded by Federal law.

### Background

Certain HUD programs require income and asset calculations to determine eligibility and levels of assistance. Some HUD programs are required by statute to perform income and asset determinations and other HUD programs apply these requirements administratively through regulations, notices, contract agreements, etc. Any HUD program that requires income calculations for these purposes must not consider sources or amounts of income that are specifically excluded by Federal law. The purpose of this notice is to update the list of income and asset sources required by Federal law to be excluded from consideration in HUD programs.

### Changes to the Previously Published List

HUD last published in the **Federal Register** a notice of federally mandated exclusions from income on May 20, 2014, at 79 FR 28938. Today's notice replaces the previously published version by adding four new income exclusions and correcting existing exclusions to identify where amounts are excluded from consideration as assets in HUD programs.

(1) Corrects an exception to payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Service Act of 1973, listed as exclusion (2);

(2) Adds the amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409), listed as exclusion (14);

(3) Adds allowance paid to children of certain Thailand service veterans born with spina bifida (38 U.S.C. 1822), listed as exclusion (17);

(4) Corrects the exclusion of income applicable to programs under the Native American Housing Assistance and Self-

Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*) to more accurately capture the language of 25 U.S.C. 4103(9), listed as exclusion (23);

(5) Corrects that any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)), listed as exclusion (25);

(6) Corrects that the first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407), listed as exclusion (26);

(7) Adds the value of, distributions from, and certain contributions to Achieving Better Life Experience (ABLE) accounts established under the ABLE Act of 2014 (Pub. L. 113-295.), listed as exclusion (28); and

(8) Adds assistance received by a household from payments made under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116-260), and the American Rescue Plan Act of 2021 (Pub. L. 117-2), listed as exclusion (29).

### Updated List of Federally Mandated Exclusions From Income

The following updated list of Federally mandated income exclusions supersedes the notice published in the **Federal Register** on May 20, 2014. The exclusions listed below apply to income only, except where HUD states that the exclusion also applies to assets. Actual income earned from an excluded asset may be included in income if it is not deposited into an account that is disregarded and excluded under one of the below authorities. If an amount is in an excluded account, like an Independent Development Account or an ABLE account, then the statute or the regulations associated with that income/asset exclusion will dictate what portion of the income earned off the amount, if any, is to be included in the family's income. Please note that exclusions (13) and (23) have provisions that apply only to specific HUD programs):

(1) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b)). This exclusion also applies to assets;

(2) Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Service

Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C. 5058), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 *et seq.*) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This exclusion also applies to assets;

(3) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)). This exclusion also applies to assets;

(4) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506). This exclusion also applies to assets;

(5) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)). This exclusion also applies to assets;

(6) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6). This exclusion also applies to assets;

(7) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408). This exclusion also applies to assets;

(8) Amounts of student financial assistance funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be

considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327) (as amended)

(9) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056g);

(10) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101–201) or any other fund established pursuant to the settlement in *In Re Agent Orange Product Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets;

(11) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96–420 section 9(c)). This exclusion also applies to assets;

(12) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

(13) Earned income tax credit (EITC) refund payments<sup>1</sup> received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l)). This exclusion also applies to assets;

(14) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);

(15) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (Pub. L. 95–433 section 2). This exclusion also applies to assets;

(16) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

(17) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811–16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821–22) is

excluded from income and assets (38 U.S.C. 1833(c)).

(18) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)). This exclusion also applies to assets;

(19) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2));

(20) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets;

(21) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101–503 section 8(b)). This exclusion also applies to assets;

(22) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. 1437a(b)(4));

(23) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*);

(24) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111–291 section

101(f)(2)). This exclusion also applies to assets;

(25) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4));

(26) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013–1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);

(27) Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets;

(28) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

(29) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021

<sup>1</sup> Please note: While this income exclusion addresses EITC refund payments for certain HUD programs, the exclusion in 26 U.S.C. 6409 excludes Federal tax refunds more broadly for any Federal program or under any State or local program financed in whole or in part with Federal fund.

(Pub. L. 117–2, section 3201). This exclusion also applies to assets.

**Richard Monocchio,**

Principal Deputy Assistant Secretary for Public and Indian Housing.

**Julia R. Gordon,**

Associate General Deputy Assistant Secretary for Housing—Associate Deputy Federal Housing Commissioner.

**Marion M. McFadden,**

Principal Deputy Assistant Secretary for Community Planning and Development.

[FR Doc. 2024–01873 Filed 1–30–24; 8:45 am]

BILLING CODE 4210–67–P

**DEPARTMENT OF THE INTERIOR**

**Fish and Wildlife Service**

[FWS–R1–ES–2023–N104; FXES11130100000–245–FF01E00000]

**Endangered Species; Receipt of Recovery Permit Applications**

**AGENCY:** Fish and Wildlife Service, Interior.

**ACTION:** Notice of receipt of permit applications; request for comments.

**SUMMARY:** We, the U.S. Fish and Wildlife Service, have received applications for permits to conduct activities intended to enhance the propagation and survival of endangered species under the Endangered Species Act. We invite the public and local, State, Tribal, and Federal agencies to comment on these applications. Before issuing the requested permits, we will take into consideration any information that we receive during the public comment period.

**DATES:** We must receive your written comments on or before March 1, 2024.

**ADDRESSES: Document availability and comment submission:** Submit a request for a copy of the application and related documents and submit any comments by one of the following methods. All requests and comments should specify the applicant name and application number (e.g., Dana Ross, ES001705):

- Email: [permitsR1ES@fws.gov](mailto:permitsR1ES@fws.gov).
- U.S. Mail: Marilet Zablan, Regional Program Manager, Restoration and Endangered Species Classification, Ecological Services, U.S. Fish and Wildlife Service, Pacific Regional Office, 911 NE 11th Avenue, Portland, OR 97232–4181.

**FOR FURTHER INFORMATION CONTACT:**

Karen Colson, Regional Recovery Permit Coordinator, Ecological Services, (503) 231–6283 (telephone); [permitsR1ES@fws.gov](mailto:permitsR1ES@fws.gov) (email). Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

**SUPPLEMENTARY INFORMATION:** We, the U.S. Fish and Wildlife Service, invite the public to comment on applications for permits under section 10(a)(1)(A) of the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*). The requested permits would allow the applicants to conduct activities intended to promote recovery of species that are listed as endangered under the ESA.

**Background**

With some exceptions, the ESA prohibits activities that constitute take

of listed species unless a Federal permit is issued that allows such activity. The ESA’s definition of “take” includes such activities as pursuing, harassing, trapping, capturing, or collecting, in addition to hunting, shooting, harming, wounding, or killing.

A recovery permit issued by us under section 10(a)(1)(A) of the ESA authorizes the permittee to conduct activities with endangered or threatened species for scientific purposes that promote recovery or for enhancement of propagation or survival of the species. These activities often include such prohibited actions as capture and collection. Our regulations implementing section 10(a)(1)(A) for these permits are found in the Code of Federal Regulations (CFR) at 50 CFR 17.22 for endangered wildlife species, 50 CFR 17.32 for threatened wildlife species, 50 CFR 17.62 for endangered plant species, and 50 CFR 17.72 for threatened plant species.

**Permit Applications Available for Review and Comment**

Proposed activities in the following permit requests are for the recovery and enhancement of propagation or survival of the species in the wild. The ESA requires that we invite public comment before issuing these permits. Accordingly, we invite local, State, Tribal, and Federal agencies and the public to submit written data, views, or arguments with respect to these applications. The comments and recommendations that will be most useful and likely to influence agency decisions are those supported by quantitative information or studies.

Application No.	Applicant, city, state	Species	Location	Take activity	Permit action
PER5646208 .....	Christopher Adams, Oregon State University, OR.	Taylor’s checkerspot butterfly ( <i>Euphydryas editha taylori</i> ).	Oregon .....	Harass by handle and captively propagate.	New.
ES69397C .....	Seattle Aquarium Society, Seattle, WA.	Hawksbill sea turtle ( <i>Eretmochelys imbricata</i> ), Leatherback sea turtle ( <i>Dermochelys coriacea</i> ), Loggerhead sea turtle ( <i>Caretta caretta</i> ).	Washington and Oregon.	Harass by handle, measure, weigh, biosample, mark, transfer, and release.	Renew with changes.

**Public Availability of Comments**

Written comments we receive become part of the administrative record associated with this action. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can request in your comment

that we withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public disclosure in their entirety.

**Next Steps**

If we decide to issue a permit to the applicant listed in this notice, we will publish a notice in the **Federal Register**.

**Authority**

We publish this notice under section 10(c) of the Endangered Species Act of





## Language Access Plan

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 require that recipients of federal funds take responsible steps to ensure meaningful access by persons with limited English proficiency (“LEP persons”). The North Carolina Housing Finance Agency (“NCHFA” or “NC Housing Finance Agency”) is a recipient of federal funds for a portion of its programs and thus obligated to reduce language barriers that can preclude meaningful access by LEP persons to NC Housing Finance Agency’s programs.

For the purposes of this plan:

- a) *LEP* means Limited English Proficiency.
- b) *LAP* means Language Access Plan.
- c) *Limited English Proficiency person means* a person who does not speak English as their primary language and who has a limited ability to speak, read, write or understand English.
- d) *Sub-grantee* means an entity designated as a recipient for funding assistance whether directly or indirectly from the NC Housing Finance Agency which provides housing, benefits, counseling, or other assistance to individuals or other entities. This includes, but is not limited to, any unit of local government, public housing authority, community housing development organization, public or private nonprofit agency, developer, private agency or institution, builder, property manager, residential management corporation, or cooperative association which receives funding assistance from the NC Housing Finance Agency.

### Analysis

The NC Housing Finance Agency conducted a four-factor analysis, considering (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by NC Housing Finance Agency or its federally funded programs, (2) frequency with which LEP persons come into contact with NC Housing Finance Agency programs, (3) nature and importance of the program, activity or service to people’s lives and (4) resources available and costs:

- (1) Per the 2021 American Community Survey Five-Year Estimate, 7.7% of North Carolina’s population speaks Spanish at home, and 3.1% of North Carolina’s population is Spanish-speaking with limited English proficiency at home. No other language group has a sizeable LEP population. About 87.9% of North Carolina’s population speaks only English at home.
- (2) NC Housing Finance Agency primarily provides funds to organizations and rarely interacts directly with individual households. Even in situations where the funds directly benefit an individual household, NCHFA’s contact is almost entirely with the organization or lender assisting the household, not with the household itself. NC Housing Finance Agency provides housing assistance through local government, nonprofit and for-profit partners. As a result,

*Updated 09/26/23*

North Carolinian individuals, including LEP persons, infrequently come in contact with federally-funded programs directly through NC Housing Finance Agency.

- (3) NC Housing Finance Agency helps provide an important and acute need in people's lives, housing. Generally, NC Housing Finance Agency's single-family housing programs serve individuals through government, nonprofit and for-profit partners and its multifamily housing programs work with developers and property managers; NC Housing Finance Agency has limited programmatic interaction with individuals.
- (4) In response to the significant Spanish-speaking population in North Carolina, NC Housing Finance Agency has a Spanish version of its website and has vital documents, program brochures and materials available in Spanish. In addition, NC Housing Finance Agency staff members who are bilingual in English and Spanish are available to translate. Upon request, NC Housing Finance Agency will provide oral interpretation and/or written translation in other languages. NC Housing Finance Agency will have available language identification (or "I speak") cards or posters. If other significant populations of LEP persons are identified, NC Housing Finance Agency will consider additional targeted measures to serve those populations.

Because virtually all assistance is provided by NC Housing Finance Agency's partners, all sub-grantees are and will be required to comply with Title VI and its accompanying regulations. All organizations receiving federal funds will conduct and provide a four-factor analysis to NC Housing Finance Agency and organizations serving counties with an LEP group that is at least 5% or at least 1,000 people will be required to complete an LAP. NC Housing Finance Agency will assist agencies in finding appropriate translation resources and will disseminate translated U.S. Department of Housing and Urban Development ("HUD") notices, brochures and other documents. Additionally, individual NC Housing Finance Agency programs may provide more language access assistance beyond the strategies described within this plan.

### **Evaluation**

NC Housing Finance Agency will update its four-factor analysis and LAP as warranted to ensure it continues to provide meaningful access to LEP persons as and will revise its policies and procedures as necessary. Additionally, if the NC Housing Finance Agency learns that the number of LEP persons speaking any given language exceeds 2% of the North Carolina population<sup>1</sup>, NC Housing Agency will review and, as warranted, update its language access strategies and language access plan. NC Housing Finance Agency staff will also be trained on LEP policies and procedures.

NC Housing Finance Agency's LAP is available to the public. The information will be made available in a form accessible to persons with disabilities upon request to NCHFA, 3508 Bush Street, Raleigh NC 27609, Tel. (919) 877-5700.

Citizens, public agencies and other interested parties will have reasonable and timely access to information and records relating to the LAP. All records that are public under G.S. 132 will be made accessible to interested individuals and groups during normal working hours.

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<sup>1</sup> Based on analysis of the most recent US Census Bureau ACS 5-Year Estimates Detailed Table C16001.

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At any time, citizens may submit complaints related to the LAP by contacting NC Housing Finance Agency's LAP/LEP contact people: Brian O'Donnell and Bettie Teasley at [ResearchHelp@nchfa.com](mailto:ResearchHelp@nchfa.com). NC Housing Finance Agency will provide a written response to every written complaint that relates to the LAP within 30 business days.

*Updated 09/26/23*



## NCHFA Guidance for Developing a Four Factor Analysis and LAP

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 require that recipients of federal funds take responsible steps to ensure meaningful access by persons with limited English proficiency. A Limited English Proficient (LEP) person is a person who does not speak English as their primary language and who has a limited ability to read, speak, write or understand English. To ensure meaningful access to its programs for LEP persons, NCHFA requires that all its recipients receiving federal funds conduct a Four Factor Analysis.

To conduct the first part of the Analysis, you will need to access Census Data.

- Go to <https://data.census.gov/cedsci/> and search for C16001 to access the table “Language Spoken at Home for the Population 5 Years and Over.”
- Click on the Product selector and pull down to select the latest available “ACS 5-Year Estimates Detailed Tables.”
- Select “Geos” and under Geography select “County,” then select “North Carolina,” then “All Counties within North Carolina.”<sup>1</sup>
- Click “Close.”
- Select “Excel” from the top menu bar, then “Export to Excel.”

For any LEP group that is at least 1,000 people or is 5% or more of your county’s total population, NCHFA considers that significant size and requires a Language Assistance Plan (LAP). Each project still needs to conduct the Four Factor Analysis if the LEP population(s) are smaller than 1,000 people or 5% of the county population.

To determine if you reach the 5% or higher threshold, take the total number of people in your county and multiply by 0.05. After you have this number, compare it to the numbers in the columns “Speak English less than very well.” If the number is the same or higher than the 5% number you calculated, the population of this language group is considered to be of significant size and requires a Language Access Plan (LAP) which will be discussed later in this guidance.

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<sup>1</sup> Alternatively, you can select only those counties in your service area. If your service area is smaller than the county level or these county-level data otherwise do not align “the number or proportion of LEP persons eligible to be served or likely to be encountered,” other reliable data sources may be used.



To conduct a Four Factor Analysis, you must assess the following:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the program or recipient (see above for instructions);
2. The frequency with which LEP individuals come in contact with the program;
3. The nature and importance of the program, activity or service provided by the program to people's lives; and
4. The resources available to the recipient and costs.

If your Data show a percentage is 5% or greater or an LEP group with at least 1,000 people, you will need to create a Language Access Plan (LAP). In addition to the information provided for your Four Factor Analysis, your LAP, which should be a concise document of 1-2 pages, should address what language assistance services will be provided if requested or needed. For example, if your organization has bilingual staff or a program website in another language, these would be considered language assistance services. You can also include items like your organization will contact the Carolina Association of Interpreters and Translators if language services are requested and/or have HUD's "I Speak" cards available in your office for LEP persons who walk in. Other examples of language assistance services include: contracting with another organization to supply an interpreter when needed; using a telephone service line interpreter; or seeking the assistance of another agency in the same community with bilingual staff to provide oral interpretation. HUD's "I Speak" cards and some translated materials are available here:

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/17lep](https://www.hud.gov/program_offices/fair_housing_equal_opp/17lep).

The LAP should also include the following:

- Plan for outreach to LEP communities;
- Plan for training staff members on your LAP and on federal LEP guidance (available at [https://www.lep.gov/guidance/guidance\\_index.html](https://www.lep.gov/guidance/guidance_index.html));
- List of vital documents to be translated (if any);
- Plan for translating informational materials that detail services for beneficiaries;
- Plan for providing interpreters for meetings (if needed);
- Plan for developing community resources, partnerships and other relationships to help with the provision of language services; and
- Designation of LEP/LAP contact person and address the process for handling complaints and updating the LAP.

Furthermore, the organization must maintain records regarding their efforts to comply with Title VI LEP obligations, including documents related to the Four Factor Analysis, the LAP and LEP services provided. Such records should be available for State monitoring if needed.

Additional guidance for four-factor analysis and LAP creation:

HUD Guidance: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](https://www.hud.gov/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)

DOJ Guidance: <https://www.federalregister.gov/documents/2000/08/16/00-20867/enforcement-of-title-vi-of-the-civil-rights-act-of-1964-national-origin-discrimination-against>

*Updated: 01/06/2023*

	LIHC	Tax Exempt Bond	Section 8	Rural Development	HOME
<b>Income Certification Form</b>	Required form: Tenant Income Certification (TIC)	LIHC Income Cert	50058 (for 3rd party + TIC) 50059 (in place of TIC after MI)	RD 3560-8 (in place of TIC after MI)	LIHC Income Cert
<b>Move-in Effective Dates</b>	Actual move-in date	Actual move-in date	Actual move-in date	1st day of the month, regardless of actual MI date	Actual move-in date
<b>Recertification Timing</b>	No AR required if 100% low income. Agency requires 1st year AR. Mixed income must recertify annually on anniversary of MI. (Agency will allow AR to be effective on 1st of anniversary month)	Same as LIHC	Recertified annually effective on the 1st day of anniversary month.	Recertified within 12 months of the most recent full AR.	Recertified in the 6th year of affordability period. If HOME funds from Agency, must recertify annually.
<b>Mid-year Income Changes</b>	No effect. *DHHS Targeting Program w/ Key Assistance - special circumstances apply	No effect	Income changes within certain parameters trigger an interim recert, where only items that have changed are verified; AR date remains the same	Income changes within certain parameters trigger a full AR, where all info is verified; next AR date is 12 months later	No effect
<b>Student Rules</b>	HH comprised of all full-time students not allowed unless an exception is met. Student financial assistance excluded from income unless the HH receives Section 8 assistance	Same as LIHC	Students (FT or PT) are disqualified unless 24+ OR age 23 & younger with a dependent child, OR married, OR a veteran, OR living w/ parents who receive Section 8 assistance. If receiving rental assistance, student financial assistance is included in income unless 23+ with a dependent child or student lives w/ parents. If no rental asst, student financial asst is excluded.	Students eligible if: 18+ and have established home apart from parents; not claimed by parents on tax return; any assistance received from parents is disclosed. If receiving project based section 8, student financial assistance is included in income for projects w/ project based section 8. If no rental assistance, student financial assistance is excluded.	Same as Section 8
<b>Income Verification</b>	HUD 4350.3 Verification methods. 3rd party preferred method. Check stubs are 3rd party, need 4-6 consecutive	Same as LIHC	Enterprise Income Verification System (EIV)	Same as LIHC	2 months of source documentation of income. VOE not allowed unless YTD contains 2 months of source data.

	LIHC	Tax Exempt Bond	Section 8	Rural Development	HOME
<b>Income Set-asides*</b>	50%, 60% AMI or Income Averaging w/ no more than 4 bands ranging from 20% - 80%, with average not to exceed 60%	Same as LIHC	30%, 50% or 80% AMI	50%, 80% AMI or Moderate Income Level	50% or 80% AMI
<b>Rent Requirements</b>	Rent tied to income set-aside	No rent restrictions	Rent determined by HUD	Rent determined by RD	Rent tied to income set-aside. If Agency loan, rents must be approved.
<b>Utility Allowances</b>	7 acceptable methodologies to establish UA. UA must be approved annually by the Agency	N/A	HUD approves UA (can't use LIHC methods)	RD approves UA (can't use LIHC methods)	PHA UA not allowed on project w/ funds committed after 8/23/13 Final Rule
<b>Income and Rent Limits</b>	MTSP charts published annually by HUD; actual limits are property-specific due to additional rules. Limits held harmless after PIS. Rent floor established as of allocation date	Same as LIHC, except no rent restrictions	Section 8 charts published annually by HUD; allowed to decrease	Published annually by RD; held harmless	Same as Section 8; must be published by CPD before implementation
<b>Lease Requirements</b>	At least 6 month initial term; no required form	Same as LIHC	HUD approved lease	RD approved lease	At least 12 month initial term w/ prohibited lease terms. If Agency loan, must use NCHFA HOME Lease Addendum
<b>Reserve Requirements</b>	N/A	N/A	HUD determines deposits & approves withdrawals	RD determines deposits & approves withdrawals	PJ determines deposits & approves withdrawals
<b>Reporting Systems</b>	Rental Compliance Reporting System (RCRS)	N/A	Tenant Rental Assistance Certification System (TRACS)	Management Agent Interactive Network Connection (MINC)	Integrated Disbursement & Information System (IDIS). Initial qualifying move-ins only; reported to HUD by PJ
<b>Elderly Definition</b>	All HH members 62+ OR at least 1 person 55+ in 80% of units. If layered w/ Federal Program, follow that programs definition	Same as LIHC	Follow program definitions	62+ or disabled at any age	Same as LIHC
<b>Occupancy</b>	Owner sets occupancy guidelines	Same as LIHC	Not allowed to underutilize or overcrowd	If rental assistance, not allowed to underutilize or overcrowd	Same as LIHC

	LIHC	Tax Exempt Bond	Section 8	Rural Development	HOME
<b>Transfers</b>	Sometimes allowed (See LIHC rules related to transfers)	Must always be income qualified to transfer; If combined with LIHC, follow LIHC rules	Always Allowed	Always Allowed	Always Allowed
<b>Over Income at Annual</b>	Allowed to remain housed (See LIHC rules regarding OI HH)	Same as LIHC	<b>HUD</b> - Allowed to remain housed; subsidy adjusted accordingly <b>PIH</b> - after OI for 24 months; PHA must terminate tenancy w/in 6 mo. or charge alt rent.	Required to move if above allowed income level	Allowed to remain housed; if over 80% AMI, must calculate rent as 30% of adjusted income.
<b>Citizenship</b>	No Requirement	No Requirement	Only U.S. citizens or eligible non citizens may receive assistance	No requirement for 515	No Requirement
<b>NOTES:</b>	*LIHC Mid-year Income Changes: For DHHS Targeting w/ Key Assistance, if HH income ↓ and makes the rent ↓ as in a job loss, etc. complete an update event/recertification (depending on funding sources for the property or management's preferences). If HH income ↑ no event completed until next AR date. If HH composition changes a complete AR should be completed to include all income/assets.				
	*Income Set-asides: Universal to most housing programs is 30% AMI = Extremely Low Income (ELI); 50% AMI = Very Low Income (VLI); 80% AMI = Low Income (LI)				



# Acronym Cheat Sheet

ACH	Automated Clearing House
ADA	Americans with Disabilities Act
AFHMP	Affirmative Fair Housing Marketing Plan
AMI	Area Median Income
AOC	Annual Owners Certification
ARRA	American Recovery and Reinvestment Act of 2009
BIN	Building Identification Number
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CHDO	Community Housing Development Organization
CO	Certificate of Occupancy
CPD	Community Planning and Development
DHHS	Department of Health and Human Services
EUA	Extended Use Agreement
FHA	Fair Housing Act 1968 (1974/1988)
FMR	Fair Market Rent
HAP	Housing Assistance Payment
HCV	Housing Choice Voucher
HERA	Housing and Economic Recovery Act of 2008
HFA	Housing Finance Agency
HOME	HOME Investment Partnerships Program
HOPWA	Housing Opportunities for Persons with AIDS
HQS	Housing Quality Standards
HTF	Housing Trust Fund
HUD	U.S. Department of Housing and Urban Development
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LEP	Limited English Proficiency
LIHC	Low Income Housing Credit

# Acronym Cheat Sheet

LURA	Land Use Restriction Agreement
MSA	Metropolitan Statistical Area
MTSP	Multi-family Tax Subsidy Program
NCHFA	North Carolina Housing Finance Agency
PBRA	Project-based Rental Assistance
PHA	Public Housing Authority
PJ	Participating Jurisdictions
PLP	Preservation Loan Program
QAP	Qualified Allocation Plan
RA	Rental Assistance
RAD	Rental Assistance Demonstration
RD	Rural Development
REAC	Real Estate Assessment Center
RPP	Rental Production Program
SHDP	Supportive Housing Development Program
SRO	Single Room Occupancy
STC	State Tax Credits
TANF	Temporary Aid to Needy Families
TBRA	Tenant Based Rental Assistance
TSP	Tenant Selection Plan
TTP	Total Tenant Payment
UA	Utility Allowance
UPCS	Uniform Physical Conditions Standards
USDA	U.S. Department of Agriculture
VASH	Veterans Affairs Supportive Housing Program
VAWA	Violence Against Women Act
WHLP	Workforce Housing Loan Program
WIA	Workforce Investment Act