NORTH CAROLINA
HOUSING
FINANCE AGENCY

2026 COMPLIANCE 101

TRAINING

NCHFA Compliance 101 Training
Agenda/Table of Contents

	Physical Address: 3508 Bush Street Raleigh, NC 27609-7509	**Web Site:** www.nchfa.com

Community Living & Rental Assets Contact List

Main Agency Telephone Number	**(919) 877-5700**
Sandy Harris, Director Rental Programs, ssharris@nchfa.com	**(919) 877-5649**
Susan Westbrook, Manager of Rental Assets, sewestbrook@nchfa.com	**(919) 877-5647**
Gianna Hargrove-Fletcher, Support Specialist, gmhargrovefletcher@nchfa.com	**(919) 578-3529**

Community Living & Rental Assets Teams:

Tanya Clark, Team Leader	**tbclark@nchfa.com**	**(919) 877-5665**
Lisa Alston	**lnalston@nchfa.com**	**(919) 877-5669**
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Kristen Hewlett	**klhewlett@nchfa.com**	**(919) 561-5248**
Randa McCauley, Team Leader	**rjmccauley@nchfa.com**	**(919) 981-2691**
Steven James	**spjames@nchfa.com**	**(919) 981-2654**
Amber Payne	**alpayne@nchfa.com**	**(919) 578.3477**
Krista Zimmer	**klzimmer@nchfa.com**	**(919) 480-8947**
Louise Gardner, Team Leader	**rlgardner@nchfa.com**	**(919) 877-5663**
Amy Barnes	**aebarnes@nchfa.com**	**(919) 850-2869**
Heidi Holt	**htholt@nchfa.com**	**(919) 480-2877**
Dorian Minters	**dlminters@nchfa.com**	**(919) 981-4470**

If you have a question about the online reporting system (RCRS), contact:	Tanya Clark
If you have a question about Annual Owner Certifications (AOC), contact:	Melissa Keller
If you have questions on RPP rent increases or reserve withdrawals, contact:	Krista Zimmer
If you have general questions about audited financial statements, contact:	Chelsea Isaksen
If you have a question about utility allowances, contact:	Tammy Douglas
If you have a question about the KEY Program payments, contact:	Louise Gardner
If you have questions about our training requirements or training workshops, contact:	Steven James
If you have questions about our training workshop registration, contact:	Gianna Fletcher
If you have a question about Supportive Housing Development Properties, contact:	Susan Caulder
If you have questions about 8823s, contact:	Lisa Alston
If you have questions about Tenant Selection Plans, contact:	Heidi Holt
If you have questions about Management Documents, contact: (AFHMPs, Management Plans, Leases, etc.)	Dorian Minters
If you have questions about Management Company Report Cards, contact	Chelsea Isaksen

2026 Compliance 101 Training

Presented by the NCHFA Training Team

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

Certificate of Participation

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Awarded to

Gov. Josh Stein

The above-named has successfully completed the course denoted below and has qualified for six (6) classroom hours during the 2026 calendar year

Susan Westbrook
Manager of Rental Assets

Compliance 101 In-person
February 24, 2026

North Carolina Housing Finance
3508 Bush Street, Raleigh NC 27609

- Surveys will be emailed seven (days) after the training. After completing the survey, a second email will be sent with the certificate link
- If clicking on the survey link an error message is received, logged out of your email and log back in and open the email with the link
- The survey email will be emailed to the email address that was used at registration
- Do not opt out of emails from rental trainings or future emails will not be received

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The Compliance Compass…
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Michael Jordan

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- The policy/information contained in this presentation was prepared and related handouts are accurate at the time of this presentation
- Upon further release of guidance from the Internal Revenue Service (IRS) and US Department of Housing and Development (HUD) or NCHFA Leadership, additional updates to our policies may be necessary and will be communicated by the North Carolina Housing Finance Agency

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- **Fewer in-person/virtual trainings for Compliance 101 and Advanced Compliance**
- **New RCRS Training – format to be determined**
- **Training dates/locations/format to be posted by January 2, 2027**

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STAY TUNED

#2027

Change

Reporting 8823s to the IRS

Beginning 2026, a Final Report is final the moment it is published in RCRS

- The 15-day grace period for file reviews and physical inspections has ended
- Once a Final Report is released in RCRS, that review is closed
- Any outstanding items will have to be corrected using a Compliance Resolution Packet

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Updated & New Fees – Effective 10.1.2025

Fee Name	Description of Fee	Current Amount	Proposed Amount	Change
Utility Allowance Fee	Utility allowance processing fees for company estimate, Agency estimate, HUD utility schedule model, or energy consumption model	$150	$250	+$100
Ownership Change Fee	Ownership change fee (Tax Credit property only)	$250	$500	+$250
Ownership Change Fee	Ownership change fee (property with Agency loan)	$500	$1,500	+$1,000
Partnership Change Fee	Partnership Change Request	$0	$500	+$500
Management Company Change Fee	Management Company Change Request	$0	$500	+$500
MF Loan Modification Fee	MF Loan Modification Request	$0	$500	+$500

Note: A fee is owed for EVERY request in a transaction. Requests will NOT be processed until fees are paid.

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Report Cards

If you are currently on the Approved Management Company list, the 2025 report cards have been sent to the individual listed as the Operations Contact in RCRS

<u>What are you graded on?</u>

- Tax Credit Experience
- Registered with the NC Secretary of the State
- KEY Program Compliance
- RCRS Reporting
- Training Requirements
- Tax Credit Designation
- Uncorrected Noncompliance Items
- Rent Increase Compliance

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Report Card – Approved Management Company

<u>Tax Credit Experience</u>

- Management Company must have at least one similar project in their portfolio
  - Example: to manage a new LIHTC property, they must be currently managing a property in the IRS Compliance Period (does not have to be in NC)

<u>Registered with the NC Secretary of the State</u>

- NCHFA Staff monitor the NC Secretary of the State website annually (and when new management companies request to do business in NC)

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Report Card – Approved Management Company

KEY Program Compliance

- Requesting KEY Assistance timely and accurately (if applicable)
  - Timely Payments: Reviewed quarterly. Payment requests are anticipated monthly, and lapses between payments must be less than 90-days
  - Requesting Vacancies: Random sampling quarterly to compare RCRS and V&R. The vacancy must be reported within **8 calendar days** to V&R
  - Reporting to V&R Timely: Periodic random sampling of vacancies/referrals provided

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Report Card – Approved Management Company

RCRS Reporting

- Allowable percentage: 85%
- Management must track – reports are available in RCRS
  - Only calculated based on information entered into RCRS. So if you are not reporting, it might show a false number

Training Requirements

- At least one staff person in a supervisory capacity must attend at least 3 Agency sponsored trainings in the calendar year
  - Compliance 101
  - Advanced Compliance
  - Targeting and KEY Training
- Reminder emails are sent annually in August/September if they are not meeting the requirement

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Report Card – Approved Management Company

Tax Credit Designation

- At least one staff person in a supervisory capacity has been certified with one of the tax credit compliance designations recognized in Appendix C of the current QAP
  - Grandfathered if already on the Approved Management Company List. However, if removed must obtain to be added back

Uncorrected Noncompliance Items

- No project in the portfolio with material or uncorrected noncompliance beyond the cure period, unless there is an approved plan of action
- Management must complete Compliance Resolution Packet (CRP) in RCRS to address uncorrected noncompliance
- Management must track!!

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Report Card – Approved Management Company

Rent Increase Compliance

- Implementing a rent increase on an existing property without Agency approval, if required
  - There is NO correction for this issue
  - Rent increases implemented without approval as POST Approval via RCRS or findings on file reviews
  - Note: There is a change in the rent increase policy in 2024 and 2025 for different funding types
- Not adhering to the policy on how much and when to pass approved increase to tenants

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Report Card – Approved Management Company

Category	Agency Staff Name	Agency Staff Email	Agency Staff Phone
KEY Program	Louise Gardner	rlgardner@nchfa.com	(919) 877-5663
RCRS Reporting	Compliance Help	compliancehelp@nchfa.com	
Training Requirements	Steven James	spjames@nchfa.com	(919) 981-2654
Rent Increase	Krista Zimmer	klzimmer@nchfa.com	(919) 480-8947
Report Card Questions	Chelsea Isaksen	ckisaksen@nchfa.com	(919) 480-8786

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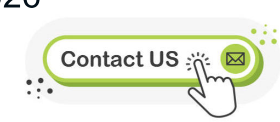
Forms Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers >
Policies, Resources & Forms > Resident Files > Targeting Program

Note: Make sure you are using the correct form for your county. If your county is not listed on a particular form, you will use Tier 1

KEY Payment Standards

- 2026 KEY payment standards released
- RCRS will automatically pick up the new payment amount for 2026, management does NOT need to make any changes in RCRS
- Worksheets are available on the NCHFA website
- All counties remained the same from 2025 to 2026



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

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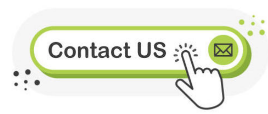
RCRS Update – Property Upload

NAHMA

- As of 12/31/2025 NAHMA 6.0 and 7.0 have been retired
- **ONLY NAHMA 8.0 is supported in RCRS**

- What is it?
  - NAHMA 8.0 is the latest technical data standard for the electronic transfer of LIHTC tenant data. This version was specifically updated to align with the requirements of HOTMA



If you have questions, please contact
compliancehelp@nchfa.com

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HOME Policy Released

- NCHFA released the new HOME policy effective 1.1.2026
- BIG changes (covered in more detail in Advanced Compliance Training)
  - Income Determinations
  - Property Standards
  - Rent/Income Limits
  - Utility Allowances
  - Rent Increases

Policy Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers >
Policies, Resources & Forms > Ownership/Management > HOME Policy 1.0

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Tax Credits
& Funding Sources
Administration and Leasing Fundamentals

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Navigating NCHFA Compliance & Beyond

What is a Low Income Housing Tax Credit?

The Low-Income Housing Tax Credit (LIHTC) is a tax incentive for housing developers to construct, purchase, and renovate rental housing for low-income individuals and families. The LIHTC was written into the Tax Reform Act of 1986.

To be eligible for low-income rental housing properties typically earning less than 60% of the Area Median Income (AMI). With the Average Income, some incomes can go up to 80% AMI.

The program is administered by states, which may impose requirements and incentives that differ than the federal requirements.

Approximately 90,000 units are built each year using LIHTC financing and can be found in all 50 states as well as Guam, Puerto Rico, the US Virgin Islands and Washington DC.

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LIHTC Highlights

- Creates affordable housing for low-income households earning less than the AMI
  - Examples: 20 @ 50%, 40 @ 60%, Average Income (20% - 80%)
- Two Types of Credits
  - 9% Credit: Congress sets the limit based on the population per state
  - 4% Credit: Tax Exempt Bonds
- Owners/Developers sell the credits to raise money to develop and construct the property, which allows them to borrow less money
- Investors receive a 10-year tax credit based on the cost to build or rehabilitate the project

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LIHTC – Who?

IRS	NCHFA	Owner/Developer	Management Agent	Investor
• Allocated Tax Credits to States • Allows Investors to pay less in Federal Taxes	• Awards Tax Credits and monitors for program compliance • Reports noncompliance to IRS	• Applies for Tax Credits from NCHFA • Develops project and selects minimum set-asides • Guarantee of Tax Credit and annual return on investment to the Investor	• Monitors sites for program compliance with the 8609 and LURA • Responsible for day-to-day operations and program compliance • Hires on-site property manager and compliance department	• Claims Tax Credit from the IRS • Provides immediate project financing to the owner/developer

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LIHTC – Where?

- Where do they come from?
  - Tax credits from the Federal government and are issued to states based on population
- Where can they be built?
  - Preferably within a half mile of an area that is well maintained
  - No visible signs of deterioration and near schools, grocery stores and pharmacies
  - Complete list of guidelines is listed in the QAP for the allocation year
- Where do you apply?
  - The application is submitted online through the Rental Tax Credit Application System (RTC App)
  - All applications are reviewed and awarded based on the review by NCHFA

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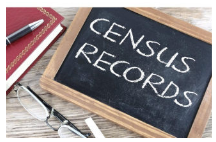

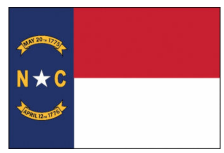

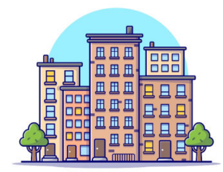

LIHTC – When?

Application and Award Schedule – 9% Credits	
January 23	Deadline for submission of preliminary applications (12:00 noon)
March 13	Market analysts will submit studies to the Agency and Applicants
March 20	Notification of final site scores
March 27	Deadline for market-related project revisions (5:00 pm)
April 10	Deadline for the Agency and Applicant to receive the revised market study, if applicable
May 15	Deadline for full applications (12:00 noon)
August	Notification of tax credit awards

Tax-Exempt Bond Process

The Agency will accept tax-exempt bond volume and 4% Tax Credit applications any time between May 1 and October 1 (5:00 pm).

When a preliminary application has been submitted in this timeframe, a schedule of milestones will be provided to the Applicant.

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Timeline Located: www.nchfa.com
Rental Housing Partners > Rental Developers > Timeline and Events

LIHTC – Why?

Economic Benefits

- Supports Job Creation: every project generates construction and long-term property management jobs
- Stimulates Local Economies: Development leads to increased demand for local goods and services
- Increases Tax Revenues: Property improvements contribute to higher local and state revenues

Social Benefits

- Reduces Housing Costs: LIHTC-funded housing provides significant rent savings for low-income families
- Improves Community Stability: Affordable housing developments reduce homelessness and housing instability
- Enhances Quality of Life: Many LIHTC properties offer on-site services/amenities

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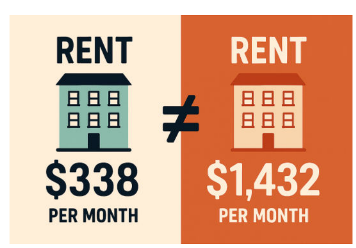
LIHTC – Why?

	LIHTC Project	Conventional Project	Calculation
Eligible Basis (cost of 100 unit project)	$20,000,000	$20,000,000	$200,000 x 100 units
Annual Credit (9% LIHTC rate)	$1,800,000	$0	
Total Credit	$18,000,000	$0	$1,800,000 x 10 years
Amount to Investor	$17,982,000	$0	$18,000,000 x 99.9%
Cash from Investor ($0.85/$1 credit)	$15,284,700	$0	$17,982,000 x $0.85
Loan from Bank	$4,715,300	$20,000,000	
Debt Service (based on 6% APR for 20 years)	$405,372	$1,719,432	Annual Loan Payment
Rent per unit/month	$338	$1,432	

**Note: monthly rent in this example covers solely the loan payment, not the operations of the property. Adding cost of operations will significantly change the rental amounts.



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LIHTC – How?

- Once a project is awarded, there are many key components to remaining in compliance throughout the affordability period
  - Following the Qualified Allocation Plan (QAP)
  - Construction Inspections
  - Commitment Letters – Agency Funding
  - 8609s
  - Training
  - Online Compliance Reporting
  - Specific Agency Requirements

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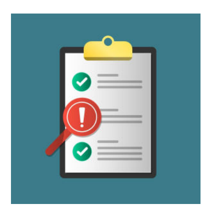
LIHTC – How?

Qualified Allocation Plan (QAP)

- Every allocation year, the Agency releases a Qualified Action Plan (QAP)
- This should be reviewed prior to submitted the application, but must be followed the entirety of compliance period (including extended use period)
- Updated annually and published on the Agency website
- Identifies the type, location and other characteristics needed for affordable housing throughout the state
- Includes design standards and other policies

Construction Inspections

- After allocation, the Agency will conduct:
  - Plan Reviews
  - Framing Inspections
  - Final Construction Inspections
  - Compliance Inspections (every year or every 3 years based on funding)



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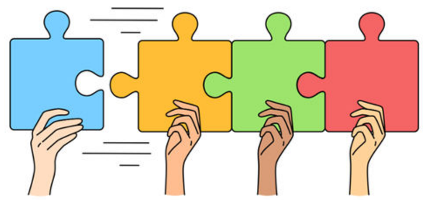
QAP Located: www.nchfa.com
Rental Housing Partners > Rental Developers > Qualified Allocation Plan (QAP)

LIHTC – How?

Commitment Letters – Agency Funding
- Conditional
- Final

IRS Form 8609
- Part I is completed by NCHFA once the Final Cost Certification is submitted/reviewed
- Part II is completed by owner and submitted with the 1st year tax return
- Once completed and filed with the IRS, a signed copy must be uploaded into RCRS

Training
- Property Specific Training is vital
  - Tenant Selection Plan (who does it apply to, screening criteria, where to post, appeals process, etc)
  - Community Information and Resources
  - Tenant Software and any other Regulatory Software
  - Owner/Management/Investor Requirements



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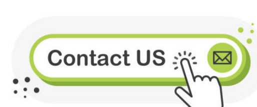
LIHTC – How?

Rental Compliance Reporting System (RCRS)
- Unit events are required to be reported within 30-days of the event date
- Documents are required to be uploaded within 30-days of the move-in date
  - Lease ups – 90 days allowed for document upload
  - Recertifications do not require documents to be uploaded, unless
    - The household is a Targeting Program household
    - The unit is selected for a File Review
- Ensure all users for management company are updated and tagged appropriately
  - Each management company has a RCRS administrator who can assign contacts, roles, tags, and re-set user passwords
  - Ensure that owner contacts are current for each property
- Uploading Documents
  - File Audits
  - Utility Allowances
  - Tenant Selection Plans
  - File/Inspection Review Responses
  - Targeting Program Documents/Forms
  - Rent Increases & Reserve Requests

Email and Dropbox are NOT allowed. Uploads into RCRS only!

REMINDER:
V&R is NOT the same as RCRS. They are separate systems that are accessed through the same login (if applicable). They DO NOT communicate.



If you have questions, please contact compliancehelp@nchfa.com

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LIHTC – How?

<u>NCHFA State Specific Requirements</u>

- Recertifications are required on the 1st anniversary of the move-in for straight tax credit projects.
  - Thereafter, and update is required (Household Composition, Student Status, and Rent Rate)
- RPP funded and Average Income projects require ANNUAL recertification
- Agency Training
  - Management is required to attend Compliance 101, Advanced Compliance, and DHHS Targeting Training
  - One supervisor must maintain a tax credit certification
  - Owners/Developers must attend either Compliance 101 or Advanced Compliance
  - All of our training material is available on our website along with recorded videos on our YouTube Page
- Compliance Manual is updated regularly (last updated April 2024)
  - Minor updates are pending approval for release in the 1st quarter of 2026

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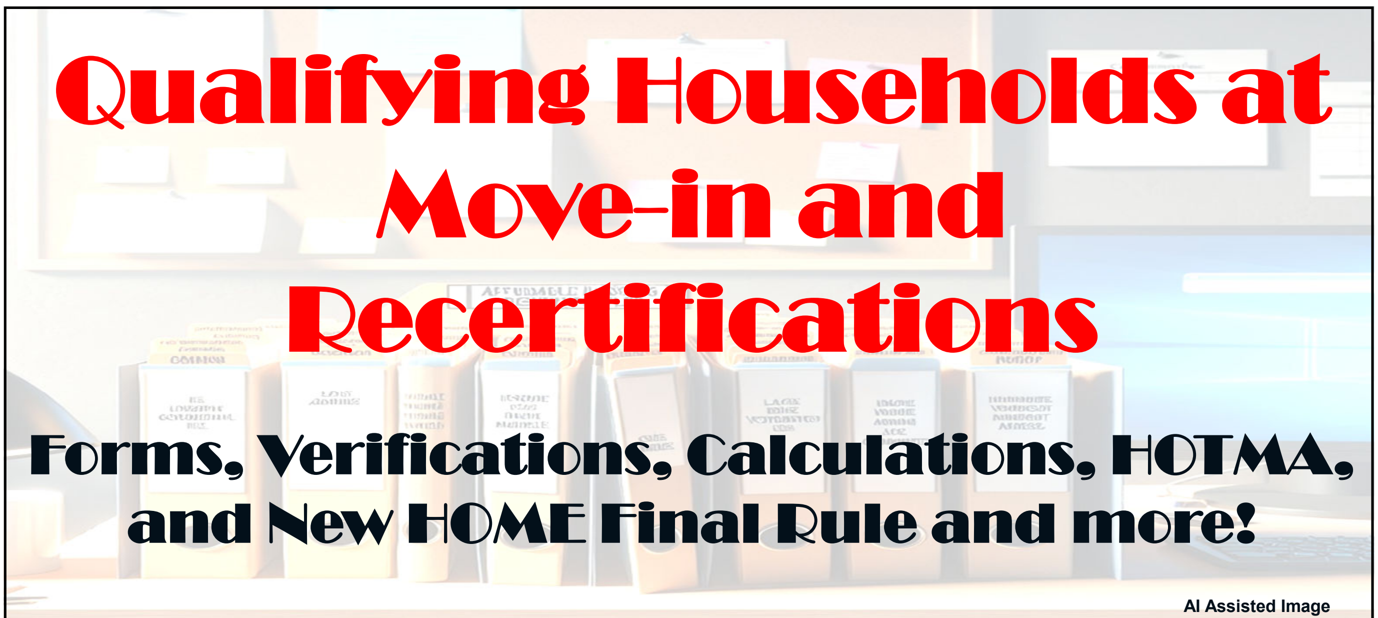
Training Material Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers > Policies, Resources & Forms > Compliance Manual & Training Resources



Qualifying Households at Move-in and Recertifications

Forms, Verifications, Calculations, HOTMA, and New HOME Final Rule and more!

AI Assisted Image

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Navigating NCHFA Compliance & Beyond

What is a file review?

- A review of resident and property files
- NCHFA conducts off-site
- Review documents and records
- Confirms program compliance

Why File Reviews Matter

- Ensure policies are being followed (external and internal)
- Protect program funding
- Support fair and consistent housing practices

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What Files Reviews Look At

- Tenant income and assets
- Legibility documentation
- Rent policy adherence
- Lease and certifications
- Program specific requirements

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The Compliance Compass…
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File Review Solutions vs Penalties

- Maintain good standing with regulatory agencies, investors, owners
- Reduces risk of loss of future funding
- Strengthens compliance history

File Reviews Support Residents

- Ensures accurate rents (assisted units and set-a-sides)
- Confirms eligible households
- Promotes fair treatment

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Common File Review Issues

- Missing documentation
- Incorrect income calculations
- Incomplete documentation forms (verifications, certifications)
- Rent errors
- Outdated forms
- Failure to enter unit events/upload documents in RCRS in a timely manner

Best Practices for Success

- Keep files organized
- Review files regularly
- Training Staff
- Correct errors promptly
- Ask questions early – we are here to help!

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Regulatory Agencies such as North Carolina Housing Finance Agency are audited by federal and state government that provide funding to ensure program compliance?

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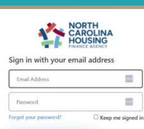
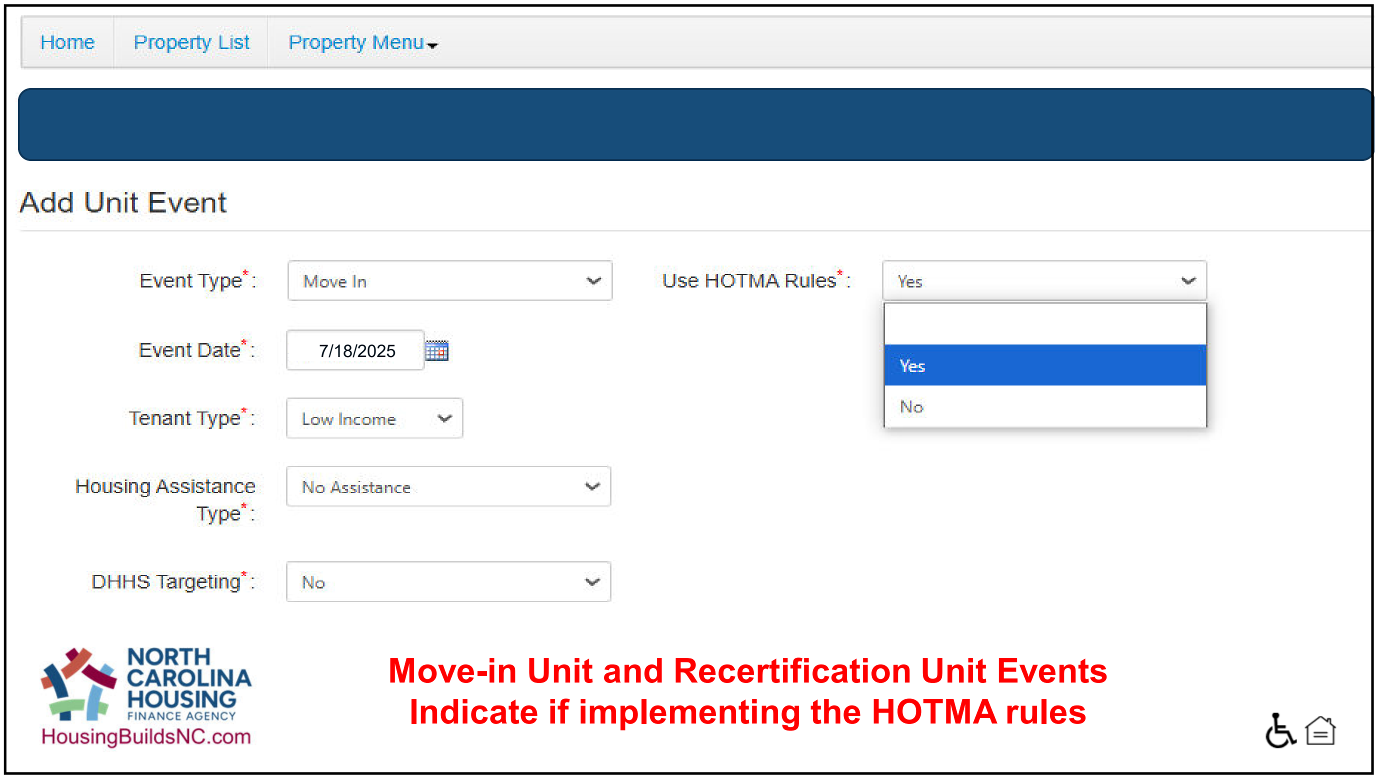


www.nchfa.com
Rental Housing Partners > Rental Owners & Managers > Policies, Resources & Forms > Log in to RCRS


Home
Property List
Property Menu
Add Unit Event
Event Type*:
Move In
Use HOTMA Rules*:
Yes
Yes
No
Event Date*:
7/18/2025
Tenant Type*:
Low Income
Housing Assistance Type*:
No Assistance
DHHS Targeting*:
No
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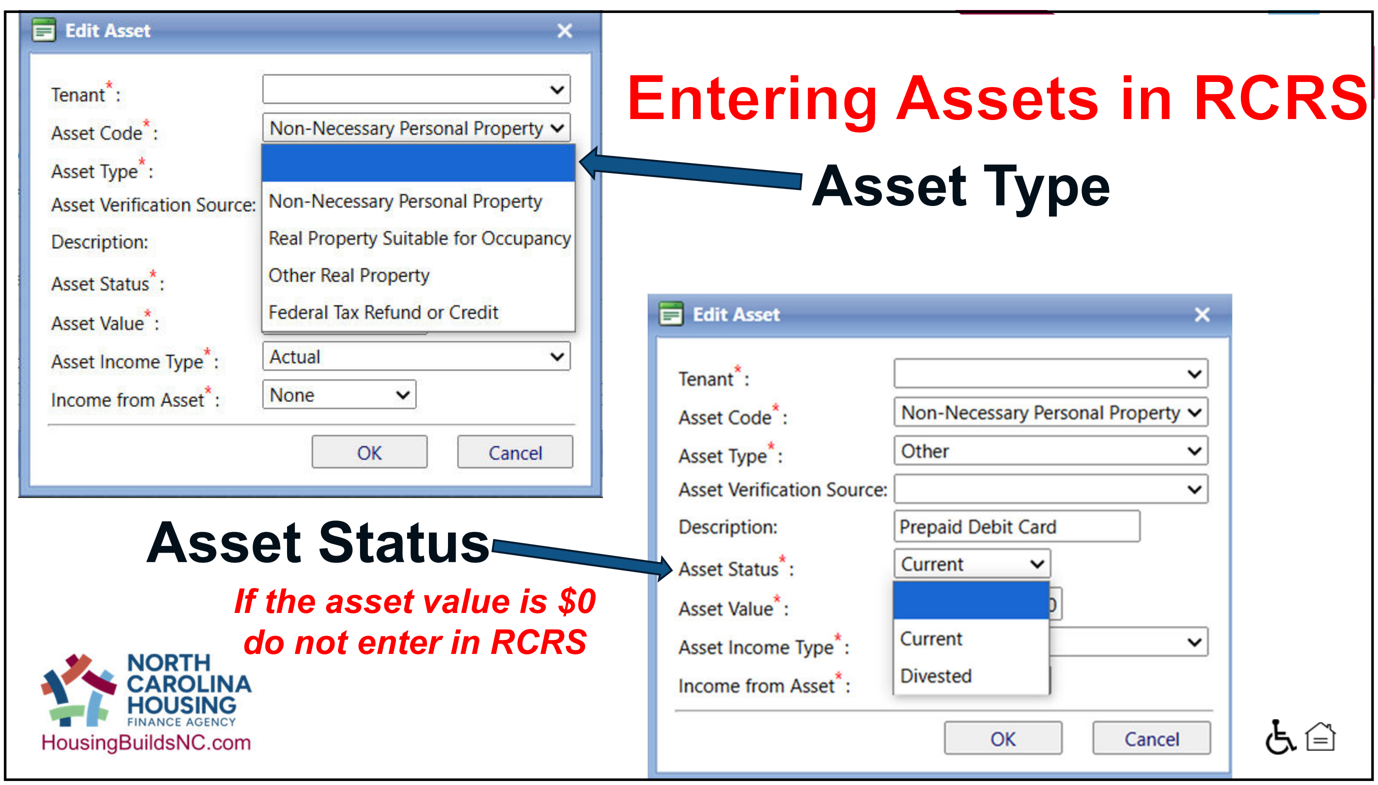
Move-in Unit and Recertification Unit Events
Indicate if implementing the HOTMA rules


Edit Asset
Tenant*:
Asset Code*:
Non-Necessary Personal Property
Asset Type*:
Asset Verification Source:
Description:
Asset Status*:
Asset Value*:
Asset Income Type*:
Actual
Income from Asset*:
None
Non-Necessary Personal Property
Real Property Suitable for Occupancy
Other Real Property
Federal Tax Refund or Credit
OK
Cancel
Entering Assets in RCRS
Asset Type
Asset Status
If the asset value is $0
do not enter in RCRS
Edit Asset
Tenant*:
Asset Code*:
Non-Necessary Personal Property
Asset Type*:
Other
Asset Verification Source:
Description:
Prepaid Debit Card
Asset Status*:
Current
Asset Value*:
Asset Income Type*:
Income from Asset*:
Current
Divested
OK
Cancel
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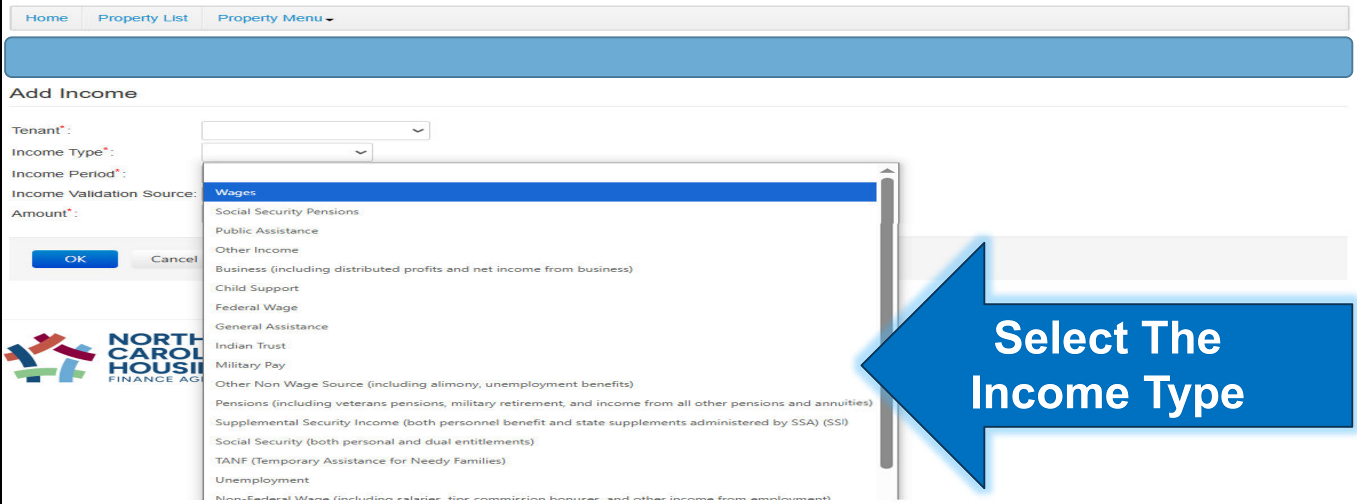
Entering Income in RCRS



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Note the expanded sections when choosing the income type

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

2026 Annual Adjustments

U.S. Department of Housing and Urban Development

0.40% HUD Passbook Rate	Just Announced 2.8% COLA Increase	$550 Elderly/Disability Deduction (Not Applicable for LIHTC)

IRS

Adoption Assistance Payments	FT Student Dependent Income	Dependent Deduction (Not applicable for LIHTC)
$500		

the HOME program

$52,787	Non-Necessary Personal Property Threshold
	Self Certification of Assets Cap
	Imputed Asset Income Threshold
$105,574	Asset Limitation (Not applicable for LIHTC)

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Annual Adjustments	2026	2025	2024
Imputted Asset Income Threshold	$52,787	$51,600	$50,000
Non-Necessary Personal Property Inclusion Threshold	$52,787	$51,600	$50,000
Asset Self-Certification Threshoold	$52,787	$51,600	$50,000
Earned Income Exclusion for Dependent Audult Full-Time Students	$500	$480	$480
Adoption Assistance Exclusion	$500	$480	$480
HUD Passbook Rate	0.40%	0.45%	0.40%

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Navigating NCHFA Compliance & Beyond

Certification vs Verification

Certification: Completed by the applicant/resident
Verification: Completed by a third-party individual

Reminder:
- Completed in their entirety – no sections left incomplete
- Blank sections – acceptable to use a clarification for missing information
- Not permissible to correct forms – provide a new form to complete

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Certify

verify

HOTMA & NCHFA Verification Hierarchy

Highest
- Upfront Income Verification (Paystubs, statements, ATM receipts – for debit/pay cards)
- ~~Enterprise Income Verification (EIV)~~
- ~~UIV using Non-EIV (Work Number or similar verification~~

NCHFA Does Not Allow

Medium
- Written, third-party verification form (Employment, Asset Verification)

Medium – Second Choice
- Oral third-party verification (Clarification Statement or similar form)

Low
- Self-certification (not third-party verified) (Applicant/resident affidavit – document why)

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Is the Disposed of Asset Cert. Required?

No

RENTAL APPLICATION

Office Use Only:
Date Rec'd: ________ Time: ________ am/pm
By (initials): ________

Development Name: ________ Email: ________
Phone Number: ________ Address: ________

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 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 ________

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 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 ________

If the NCHFA Rental Application/Recertification Questionnaire, Self Asset Certification (NCHFA form is a required form) or similar form that contains the term "I/we Certify" is used the Disposed of Asset Certification is no longer required

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Yes

If the Rental Application/Questionnaire used does not contain the required verbiage and the NCHFA Self Asset Certification is not used, a Disposed of Asset Certification is required

Duplicate Asset Verifications

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Self-Asset Certification, Third-party Verification, Etc.

Income Exclusions (updated 1/31/2024)

Federal Register / Vol. 89, No. 21 / Wednesday, January 31, 2024 / Notices 6127

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.

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

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

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https://www.govinfo.gov/content/pkg/FR-2024-01-31/pdf/2024-01873.pdf

NCHFA Lease Addendum Requirements

Tax Credit Lease Addendum
- Required for move-ins effective 1/19/2019
- Required to be executed for existing households for recertifications effective 1/19/2019

HOME Lease Addendum
- Required for move-ins effective 6/19/2019
- Required to be executed for existing households for recertifications effective 6/19/2019
- FOR HOME properties: NCHFA requires **all** units to float as HOME units

National Housing Trust Fund (NHTF) Lease Addendum
- For NHTF properties: NCHFA requires **all** units to float as NHTF units

Addendum Reminders:
- Must use applicable addendums for all funding sources at your property
- ***Does not have to be executed annually, just at move-in***

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Typical Income Calculations

Hourly Rate Calculation
- Hourly Rate X Hours Worked X Pay Frequency = Annual Income

Average Pay Stubs
- Total Pay Stubs / # of Pay Stubs X Pay Periods = Annual Income
- Minimum of two, most recent, consecutive paystubs required – **HOTMA Change**
- HOME and NHTF require two month source documentation – **If HOME/NHTF Only**
- 52 Pay Periods = Paid Weekly, 26 Pay Periods = Paid Bi-Weekly, 24 Pay Periods = Paid Twice a Month

Misc. Unearned Income
- Amount Received X Pay Frequency = Annual Income
- Social Security, SSI, Public Assistance (TANF), Child Support, Gift Income, etc.

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Typical Asset/Income Calculations

Checking, Savings & Money Market
- Current Balance X Interest Rate = Interest Income
- Checking – use current balance – **HOTMA Change**

Certificate of Deposit (CD)
- Current Balance – Penalty to Withdraw = Cash Value
- Cash Balance X Interest Rate = Asset Income

Stocks, Crypto-Currency: Bitcoin, Ether, Ripple, etc.
- Number of Shares X Stock Price – Cost of Turn Stocks in Cash = Cash Value
- Number of Shares X Dividend = Asset Income

Whole Life Insurance
- Cash Value = Surrender Value (Asset Value)
- Surrender Value X Interest = Interest Income (if applicable)

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Students

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Student Eligibility

Households consisting entirely of full-time students are <u>not</u> eligible unless they meet one of the 5 exceptions:

1. Any member married and entitled to file a joint tax return
2. At least one student a single parent with child(ren) and this parent is not a dependent of someone else, and the child(ren) is/are not dependent(s) of someone other than a parent?
3. Is at least one student receiving Temporary Assistance to Needy Families (TANF)?
4. Does at least one student participate in a program receiving assistance under the Workforce Innovation and Opportunity Act or under other similar federal, state, or local laws?
5. Does the household consist of at least one student who has ever been under the care and placement responsibility of the state agency responsible for administering foster care?

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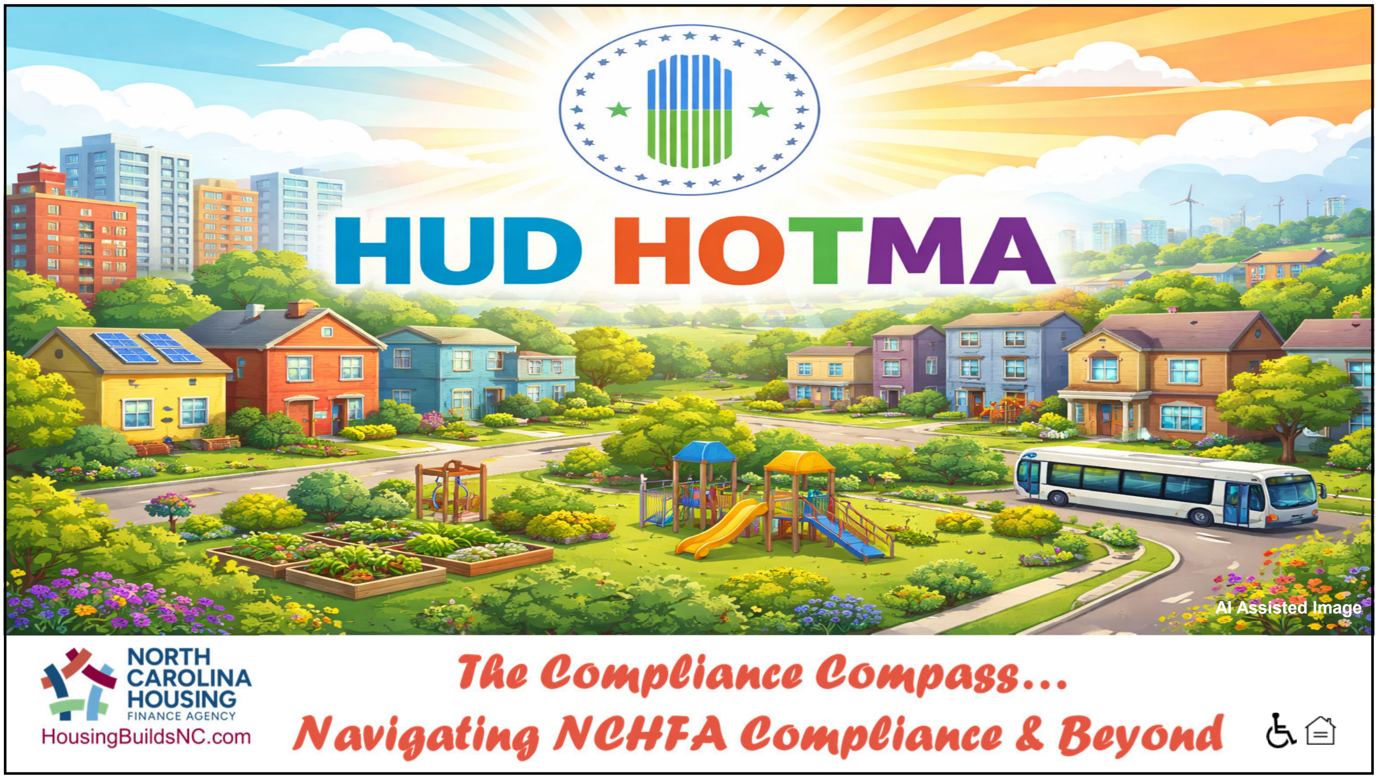
HUD HOTMA
AI Assisted Image
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So Many Questions
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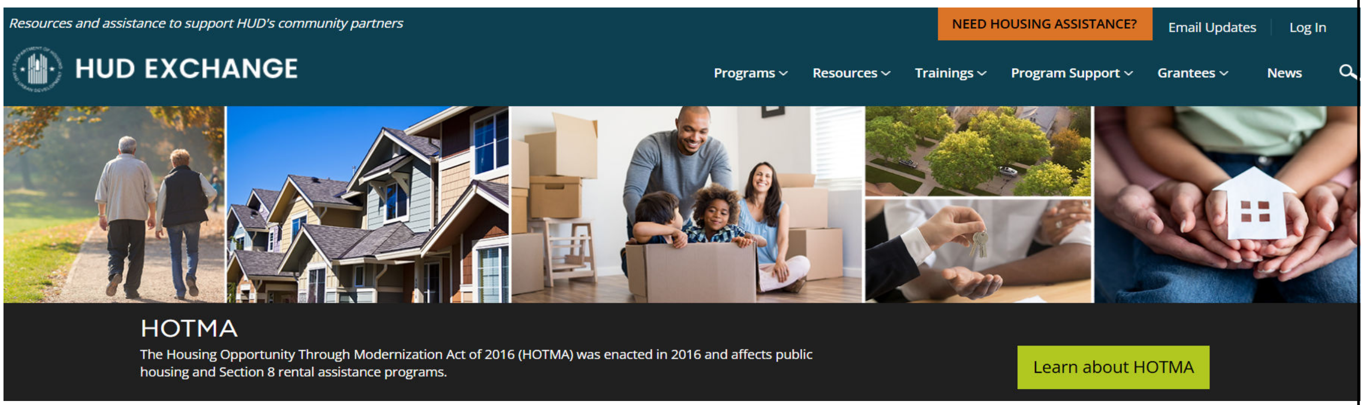
HOTMA Guidance

For published PIH/MFH housing notices, webinars and other Implementation assistance, refer to the HUD Exchange



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https://www.hudexchange.info/programs/hotma/

NCHFA HOTMA
Effective 7/1/2025

Blended Properties w/ HUD Rental Assistance: 1/1/2027

- Blended properties with HUD Rental Assistance – must implement HOTMA for all certifications effective 1/1/2027
- The Rental Compliance Reporting System (RCRS) will be updated in time to allow for 1/1/2025 implementation date
- Major difference triggered by the change: All income certifications with an EFFECTIVE date of 7/1/2025 will be required to be HOTMA-compliant. Blended properties with HUD RA certifications effective date of 1/1/2027 will be required to be HOTMA-compliance. (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

Refer to NCHFA HOTMA 7.0: Policy Update – Effective 12/2025

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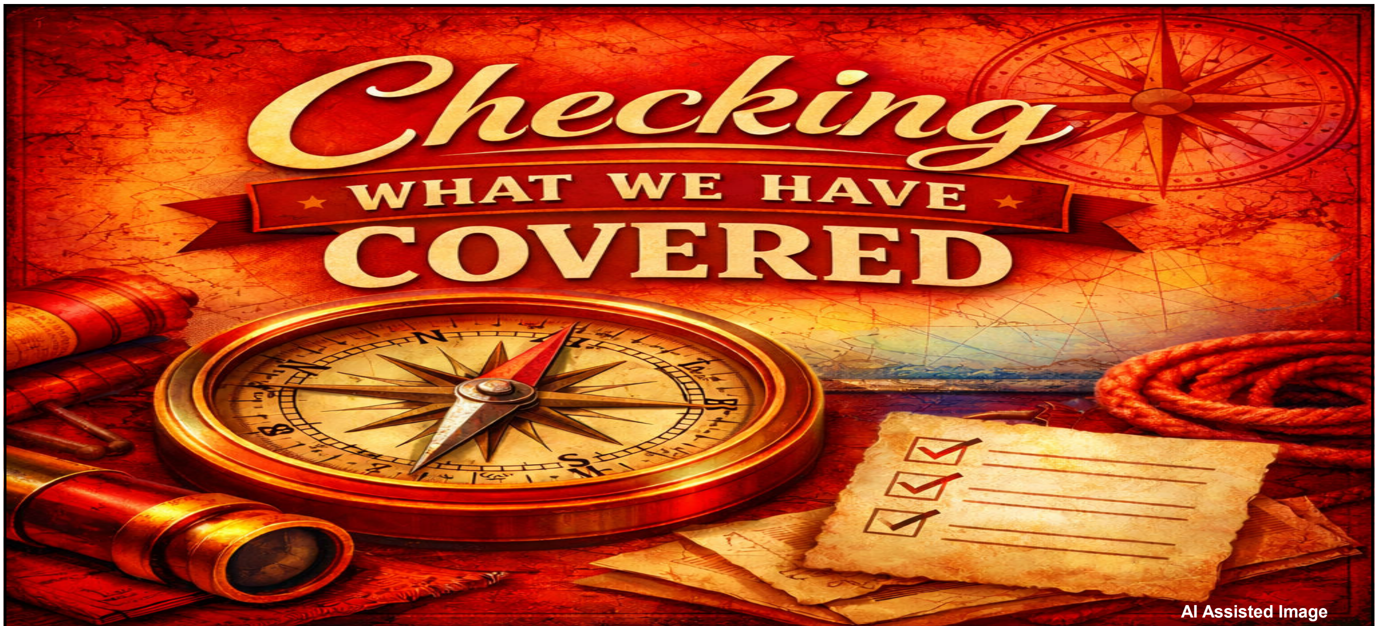
https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf



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Checking What We Have Covered

Alister is working on a move-in and recertification for Indian Beach Village with an effective date of 2/12/2027. The apartment community has Tax Credits with HUD Rental Assistance.

Does the move-in and recertification have to be HOTMA compliant?

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

North Carolina Housing Finance Agency: Policy Update 7.0
Housing Opportunity Through Modernization 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

Updated Version 12/2025

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Income - 24 CFR § 5.609 (c)

Inclusions:

- HOTMA removed the sources of income listed on 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions in 24 CFR § 5.609 (c)
- Note: See Student Financial Assistance Section (covered later)
- Student employment income: Earned income of a dependent full-time student is excluded in excess of the amount of the deduction for a dependent
- Adoption Assistance: Include Adoption Assistance up to the amount equal to the current Dependent Deduction

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Income - 24 CFR § 5.609 (c)

Exclusions:

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  - 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 season 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

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Income - 24 CFR § 5.609 (c)

Verifications:

- Only required to obtain a minimum of TWO consecutive paystubs, no matter how often the individual is paid
  - If property is HOME/NHTF only: requirement remains unchanged: two MONTHS worth of pay stubs **(HOME Final Rule Change)**
- When utilizing the **safe harbor** means-tested income determination:
  - The NCHFA form must be utilized; OR
  - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form
  - **New for HOTMA and Included in the New HOME Final Rule Change**

NEW!

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

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Navigating NCHFA Compliance & Beyond

Checking What We Have Covered

The Sparrow household has the following Income:

- Captain Jack receives $10,000 annually in adoption assistance
- Elizabethan receives $12,000 annually in food donation from the local charity and $20,000 annually in workers compensation
- Isla is a full-time, dependent student, has annual employment income of $5,000 annually
- Coral who is an adult household member earns $10,000 annually at a local sweepstakes
- Silas is 16 and earns $5000 annually at a local fish market
- Gulliver currently earns $25,000 annually as a census taker

What is the household's annual income?

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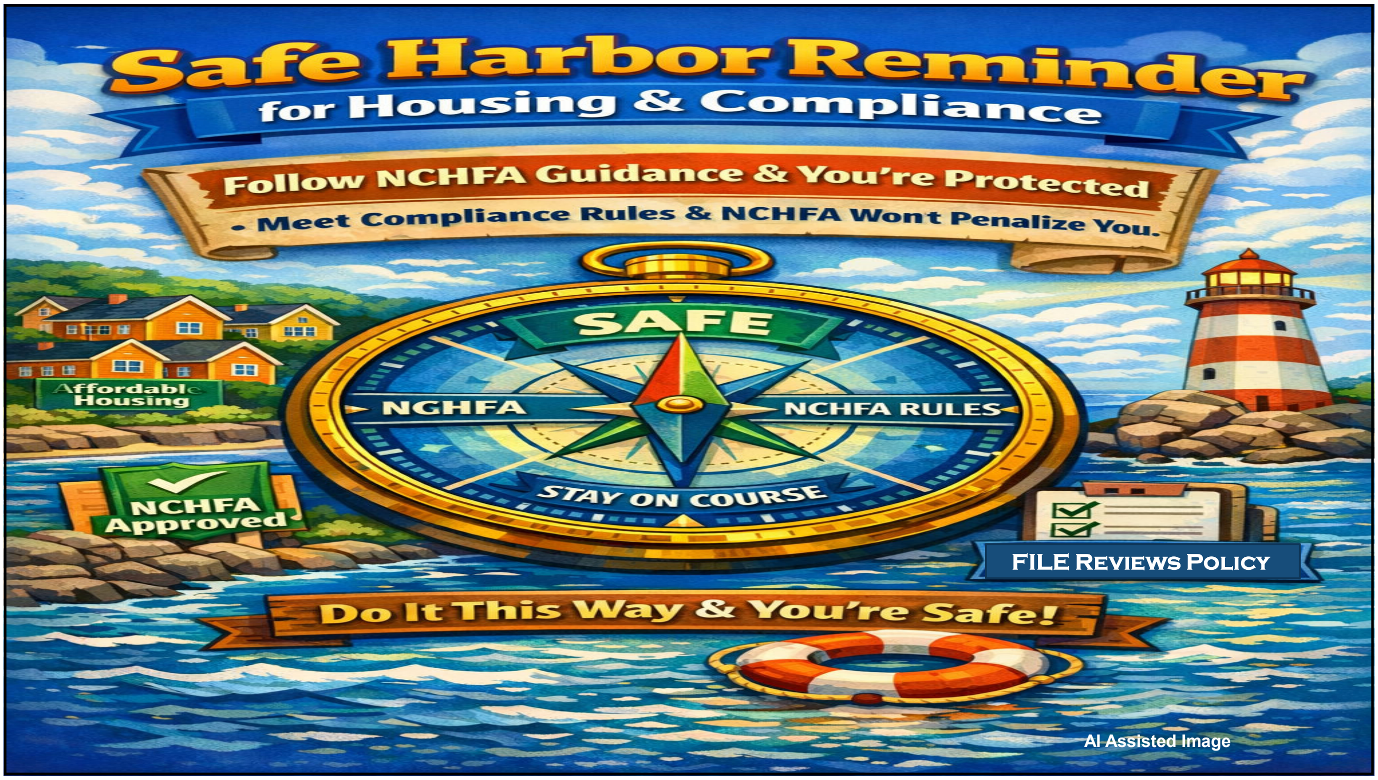
2026 Adoption Assistance Limit
& Full-time Student Earned Income Thresholds $500



Safe Harbor Reminders

If owners opt to use these third party-verifications, they must:

- Include the tenant's family size and composition
- Include family's annual income (or state that the family's income is below the applicable limit)
- Be within the previous 12-months period of time
- Income determination effective date;
- Family's signature date;
- Report effective date; or
- Other report-specific date that verify the income determination date

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

Additional Safe Harbor Notes

- The family's annual income does not need to be broken down by family member or income type **(included asset income)**
- Owners are not permitted to mix and match Safe Harbor income determination and other income verifications
- If the verification is not available or the household disputes the verification, then the owner must conduct a traditional verification and calculation
- **Note: Not applicable to the Targeting/Key Program**

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Checking What We Have Covered

Beryl comes in to your office to do her certification paperwork at your property, Magnificent Frigatebird Apartments. She is going to use the "Safe Harbor Verification" method from the local WIC office. You send the NCHFA Safe Harbor Verification form to the WIC office and they return the form. Beryl, on her paperwork list herself and four little dependent pirates. The documentation form the WIC office looks good, except the household composition on the document indicates Beryl and six little dependent pirates. When you ask Beryl about the discrepancy, she tells you that the two extra are her sister's dependents that will not be staying with her, she included them to get a larger WIC benefit.

Can this documentation be used?

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

Asset Exclusions (24 CFR § 5.60 (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-necssary personal property with a combined value less than the asset self-certification threshold is excluded

- Items not essential to the household for day-to-day employment education, health and wellness
- Examples: recreational vehicles, bank accounts, collectibles

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

Asset Exclusions (24 CFR § 5.60 (b)(3)

Retirement Plans recognized as such by the IRS, www.irs.gov

- Annuities, Stocks, bonds, CDs, etc. that are part of a retirement are also excluded
- If receiving a distribution, the distribution is considered income

Federal & State Refunds

- If total net family assets exceed annual asset self-certification threshold the value of the tax return must be verified

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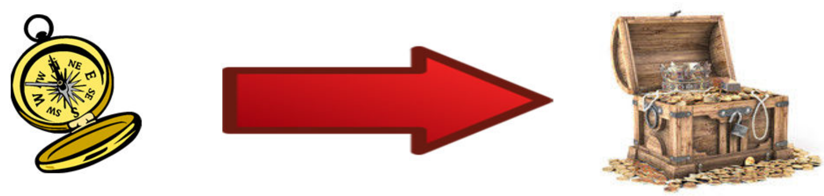
Checking What We Have Covered

Blackbeard has a 401k account with a cash value of $250,000. He takes a Required Minimum Distribution (RMD) quarterly in the amount of $10,000. How would you treat his 401k account at move-in?



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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

Checking What We Have Covered

Roommates Anne has cash on hand in the amount of $1,000, Mary Read has a CashApp balance of $1,000 and Grace O'Malley has a checking account with a cash value of $5,000 that pays .25% interest annually. Combined, the three received a state and federal tax return in the past 12-month in the amount $4,000.

What is the household total gross cash assets value?

What is the household combined income from assets?

How does the tax returns impact assets?

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2026 Asset Threshold: $52,787

https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

Let's take a look

Self Asset-Certification

The $12.50 is entered on Line F of the TIC

NON-NECESSARY PERSONAL PROPERTY

TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME
Non-necessary personal property (non-account assets such as RVs, ATVs, boats, antique cars, stamp collections, etc)			
Description:	$ N/A	N/A	$ N/A
Description:	$ N/A	N/A	$ N/A
Cash on hand	$ 1,000	N/A	N/A
Checking (current balance)	$ 5,000	.25%	$ 12.50
Savings (current balance)	$ N/A	N/A	$ N/A
Debit cards (not linked to an account that is listed above)	$ 1,000	N/A	N/A
Internet based assets (Cash App, Venmo, PayPal, ApplePay, etc.)	$ N/A		
Other | Description:			

TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME
Annuities (current balance)	$ N/A	N/A	$ N/A
Brokerage accounts current account balance (mutual funds, etc.)	$ N/A	N/A	$ N/A
Life Insurance (not term life)	$ N/A	N/A	$ N/A
Cryptocurrency (Bitcoin, etc.)	$ N/A	N/A	$ N/A
Stocks/Bonds (current balance)	$ N/A	N/A	$ N/A
CD/Money Market (current balance)	$ N/A	N/A	$ N/A
Trust accounts (current balance)	$ N/A	N/A	$ N/A
Lump sum amounts received not listed in above accounts (lottery/inheritance, etc.)	$ N/A	N/A	$ N/A
Description:	$ N/A	N/A	$ N/A
…onal property:	$ 7,000	[B] Total Income:	$ 12.50

Important Note | i… …ed into the Total Net Assets Section [F] below. However, total income … income [G] below.

The tax returns do not have be verified, if is less than the asset limitation threshold: $52,787

	CASH VALUE		INCOME
N/A	$ N/A		$ N/A
N/A	$ NA		$ N/A
[C] Total real property value:	$ 0	[D] Total real prop income:	$ 0

TOTAL NET ASSETS AND INCOME

[E] Tax Refund. Have you received a tax return or refundable tax credit in the last 12 months? ☑ yes ☐ no → value of return/credit: $ 4,000 — Subtract tax return/credit (if any) from total net assets. See formula for [F]

[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): $ 3,000 — [G] Total Asset Income: [B] + [D]: $ 12.50

- Enter the $7,000 total cash value of assets and $12.50 total annual income of $12.50
- Line E, enter the $4,000 tax return. Line F, adjusted total cash value of assets
- Line G, is not impacted by the tax refund (same as from Line B)

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Checking What We Have Covered

Roommates Cutler has a checking account with a cash value of $5,000 that pays no interest, Hawk has cash on hand of $5,000 and real estate that has a cash value of $75,000 that have all been verified. In the past twelve-months, they have a combined federal and state tax return of $2,000 that has been verified with copies of their filed tax returns.

What is the total net household combined assets?

Can the Asset Self-Certification be used?

What is the total household income from assets?

How does the combined tax return impact assets?

2026 Asset Threshold: $52,787

https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

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Checking What We Have Covered

Captain Kidd has a checking account with a cash value of $30,000 with no interest income and CashApp with a balance of $25,000 and combined federal and state tax return filed in the past twelve-months of $4,000.

What is the total net combined cash asset value?

Can the Self Asset-Verification be used?

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2026 Asset Threshold: $52,787

https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

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

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

Asset Verification

Asset Self-Certification:

- *If property is HOME/NHTF only: must continue to third party verification of ALL assets at move-in* **(Included in the New HOME Final Rule Change)**
- When total household assets are below annual self-certification threshold, certify using the Asset Self Certification (NCHFA form is a required form)
- When total household assets exceed asset self-certification threshold, all assets must be 3rd party verified
  - Unless tax return reduces household assts 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 Assts: Total cash value of the asset is counted (no matter the % of ownership to the household member:, unless the asst is otherwise excluded or unless the household can demonstrate the asset in accessible

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

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

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Assets - 24 CFR § 5.609 (e)

Asset Income

- Impute assets only when total assets exceed annual asset self-certification
- Impute ONLY those where asset income is not verifiable
- Impute using current HUD passbook rate
- Never impute ALL assets: Land does not have a verifiable asset income because it does not produce income (land will be always be imputed)

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
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 income, except HEA Title IV Assistance
- Actual Covered cost : Tuition, Fees, Books & Supplies, Room & Board
  - Example of HEA Title IV Assistance: Federal Pell Grants
- Applies to both full-time and part-time students

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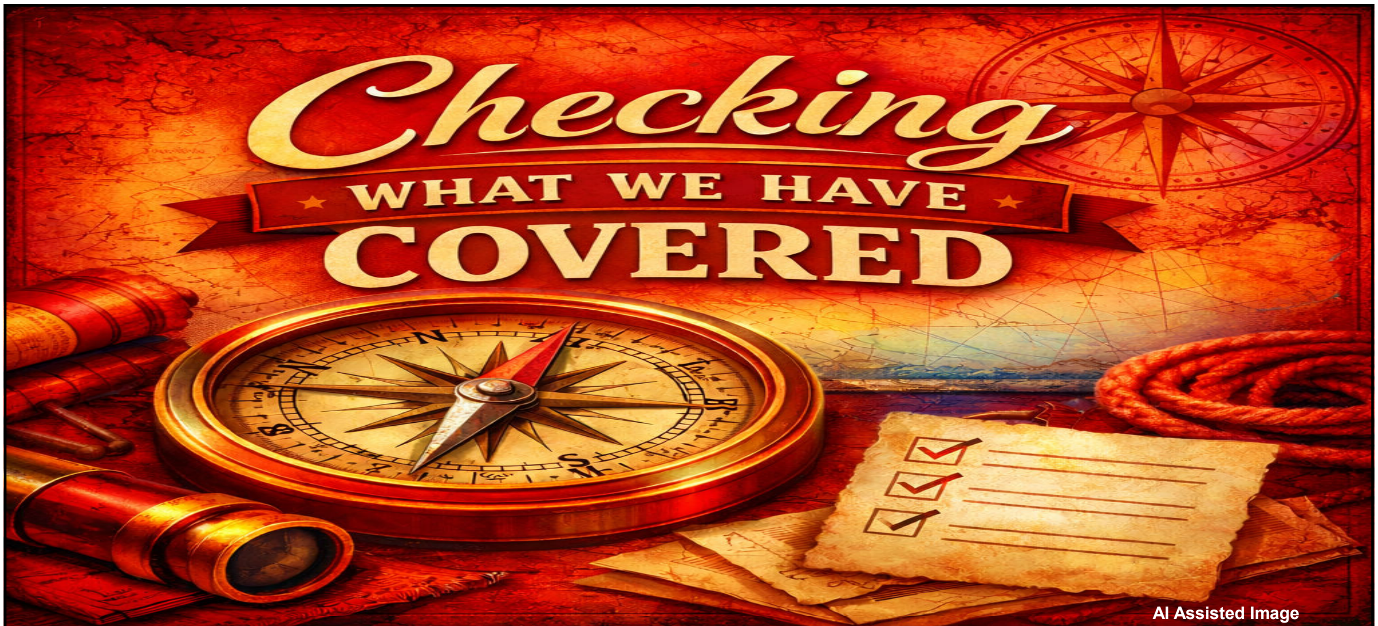
https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf



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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

Checking What We Have Covered

Meet Flora

AI Assisted Image

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Checking What We Have Covered

Flora is a full-time student, she is receiving the following grants and scholarships: $23,000 in a federal Pell Grant, a $5,000 Teach Grant and another $5,000 scholarship from a local school for Pirates. Her actual covered cost are $28,000.

How much student financial assistance is excluded under 479B of the HEA?

How much assistance is would be counted as income?

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

Checking What We Have Covered

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Meet Skipper

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Checking What We Have Covered

Skipper is a full-time student, he is receiving the following grants and scholarships: $23,000 in a federal Pell Grant, a $5,000 Teach Grant and another $5,000 scholarship from Compass Directions.
His actual covered cost are $34,000.

How much assistance is would be counted as income?

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy

Child Support - 24 CFR § 5.609 (a)(1)(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

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy

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

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https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOTMA Policy
Form Changes

- Asset Verification
- Child Support Certification
- Recertification Questionnaire *(updated 8/2025 to included disposed of asset information)*
- Rental Application *(updated 8/25/2025 to include disposed of asset information)*
- Safe Harbor Verification *(2026 New Form) (Required Form)*
- Student Financial Assistance Calculation Worksheet *(2025 New Form)*
- Student Status – Assistance Verification (2025 New Form)
- Tenant Income Certification (TIC) *(2025 Updated) (Required Form)*
- Asset Self Certification (New Name) (Required Form)

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https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/resident-files

North Carolina Housing Finance Agency: Policy Update 1.0
HOME Final Rule – Effective 1/1/2026

**Note: Applies to ALL HOME funded properties, no matter the allocation year

Not applicable to Targeting/Key

Income Determinations

Allows income determinations by other rental subsidy programs
24 CFR 92.203 (a)(1)

- If a family is applying for or living in a HOME-assisted rental unit, and the unit is assisted by a Federal or State project-based rental subsidy program, then a participating jurisdiction may accept the public housing agency, owner, or rental subsidy provider's determination of the family's annual income and adjusted income under that program's rules.

Allows income documentation from other governmental public assistance (including LIHTC) at move in and recertification
24 CFR 92.203 (a)(3)

- When using the safe harbor means-tested income determination:
  - The NCHFA form must be utilized; OR
  - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form

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https://www.nchfa.com/sites/default/files/2025-12/HOMEFinalRule1.0.pdf

What are Gig Income Platforms

upwork

OnlyFans

DOORDASH

GRUBHUB

lyft

Uber Eats

And More!

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Income in a Gig Economy

Gig Economy

A segment of the service economy based on flexible, temporary or freelance jobs, often involving connecting clients and customer through a online platform.

- Companies like Uber, Lyft and Upwork
- Provides workers with the ability to work and earn money on their terms
- Ability to work multiple platforms
- Treated as Self- Employed/Contractors
- Due Diligence
- Verification/Income Calculation
  - Self-employment income process
  - Some platforms have reports and verification processes
  - May use screenshots if other sources of verification are not available (document)
  - Not included in Chapter 5,HUD Handbook, no formal guidance from HUD/IRS

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The Gig landscape is ever evolving with new opportunities, revised tax law, verification processes, etc.

Electronic/App Assets – Alternative Accounts Chime, Venmo, PayPal, Cash App, etc.

<u>Verification Process:</u>

- Current Balance is used (just like Savings and Checking Accounts)
- Some email the account holder a monthly statement
- ATM balance inquiry receipt – ensure the balance is shown and there is a date listed on the printout
- Online printout of statement (not transaction history) includes the date of the inquiry and the cash balance
- Print Screen from the app that shows the current available cash (use if no other sources available and document)
- In most cases there is no asset income

Note: if applicant/resident discloses this type of asset on the application/questionnaire and there is no cash being held (account has a zero balance), verification is required – Asset Self-Certification, third party verification, affidavit, etc.

These type of mobile payment apps are a good way to uncover income that has not been disclosed when viewing statements/transaction history

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venmo chime PayPal Pay Google wallet pay

Physical Inspections

NSPIRE & NCHFA Expectations

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The Compliance Compass...
Navigating NCHFA Compliance & Beyond

Why Inspections Matter

Physical inspections help ensure:

- Safe and decent housing
- Properties meet regulatory rules
  - IRS LIHC – Guide for Completing Form 8823
  - NSPIRE
  - HOME Program
  - State Qualified Action Plan
  - State Inspection Standards
- Long-term preservation of affordable housing

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Inspections Protect Residents Health & Safety

Inspections look for issues such as:

- Mold or water damage
- Electrical or fire hazards
- Broken locks, windows or handrails
- Trip and fall hazards

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Inspections Ensures Program Compliance

- HUD
- IRS (LIHTC Program)
- State Housing Agencies
- Local Funding Sources

Failure of inspections can result in:

- Findings or violations (state, program, IRS)
- Loss of funding (Recapture)
- Penalties for noncompliance
- Etc.

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Inspections Protect the Property

- Identify small problems early
- Prevent costly repairs
- Maintain property value
- Extend life of the building(s)

Inspections Ensure Accountability

Inspections provide:

- Proof the property meets standards
- Documentation for audits and reviews
- Evidence that management is doing due diligence

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Repairs during the inspection

Continuing in 2026…repairs <u>will not</u> be allowed during the inspection

- Consistent with NSPIRE - Recorded as noncompliance even if the deficiency is repaired before the inspector leaves the property
- Avoids delays during the inspection – inspectors will not return to units
- Prevents deferred maintenance

<u>The only exceptions are the following:</u>

- Install light bulbs in lighting fixtures to demonstrate that the fixture works as intended
- If bulbs are not available it will be recorded as an inoperable light fixture under NSPIRE
  - Each lighting fixture socket must have a bulb
  - Staff must bring bulbs with them to and leave in the light fixture
  - Staff may not leave the unit to retrieve bulbs
- Reattaching/plugging in electric stove elements or appliances
- Removing child safety protectors (e.g., outlet covers, cabinet/door locks, or oven knob protectors
- Plugging in bathroom exhaust vent fan
- Lighting pilot light of gas stove

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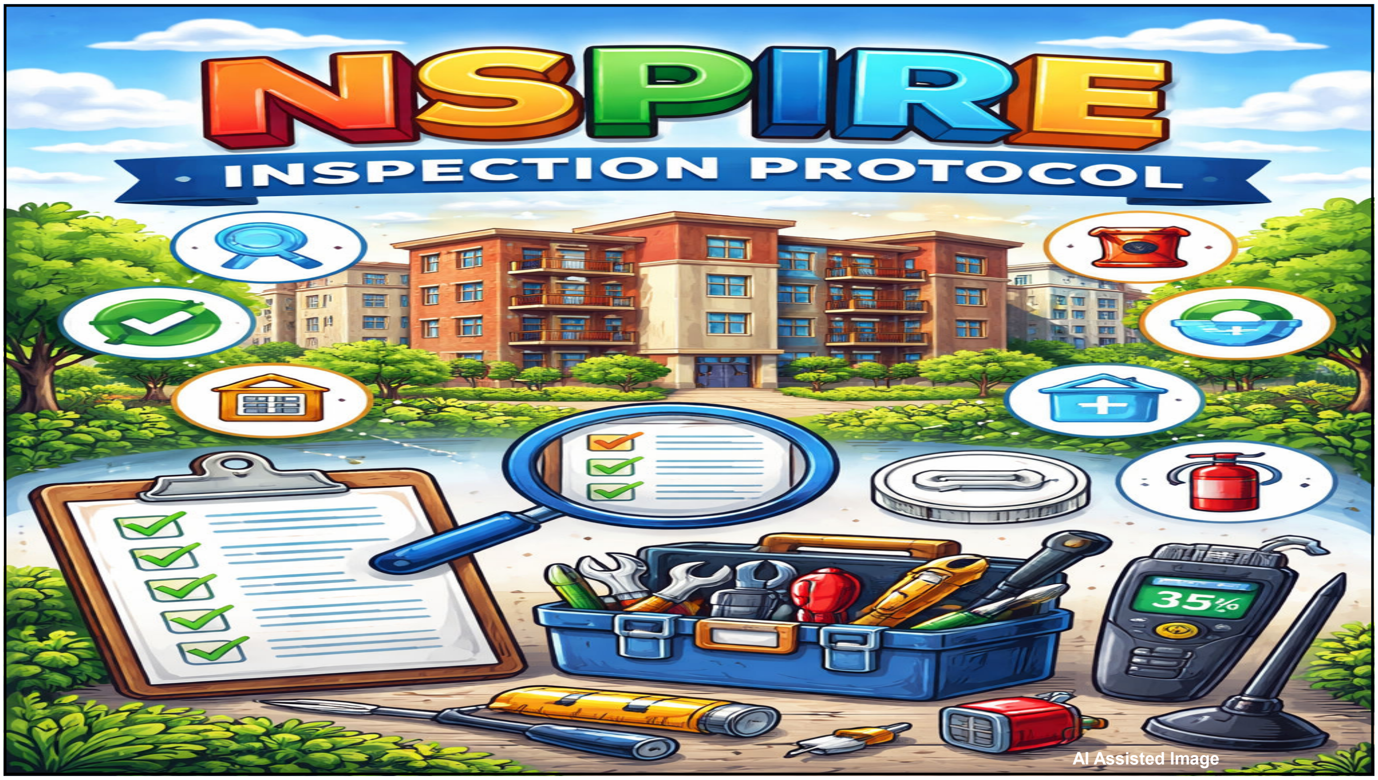

What is NSPIRE

National Standards for the Physical Inspection of Real Estate

New HUD Inspection standard and scoring system

Purpose: modernize, align and consolidate inspections across programs

UPCS →
HQS →
NSPIRE

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https://www.hud.gov/reac/nspire-notices

NSPIRE: The National Standards for the Inspection of Real Estate

AI Assisted Image

The Goal: Design a simplified inspection system that more accurately reflects the physical conditions within housing units; place greater emphasis on hazards such as lead-based paint and mold.

- Fewer inspectable areas
- Greater emphasis on units than on curb appeal
- More focus on residents' health and safety

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https://www.hud.gov/reac/nspire-standards

NSPIRE: The National Standards for the Inspection of Real Estate

From:

"HUD housing must be decent, safe, sanitary and in good repair…"

To:

To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units of the HUD housing must be functionally adequate, operable and free of health and safety hazards."

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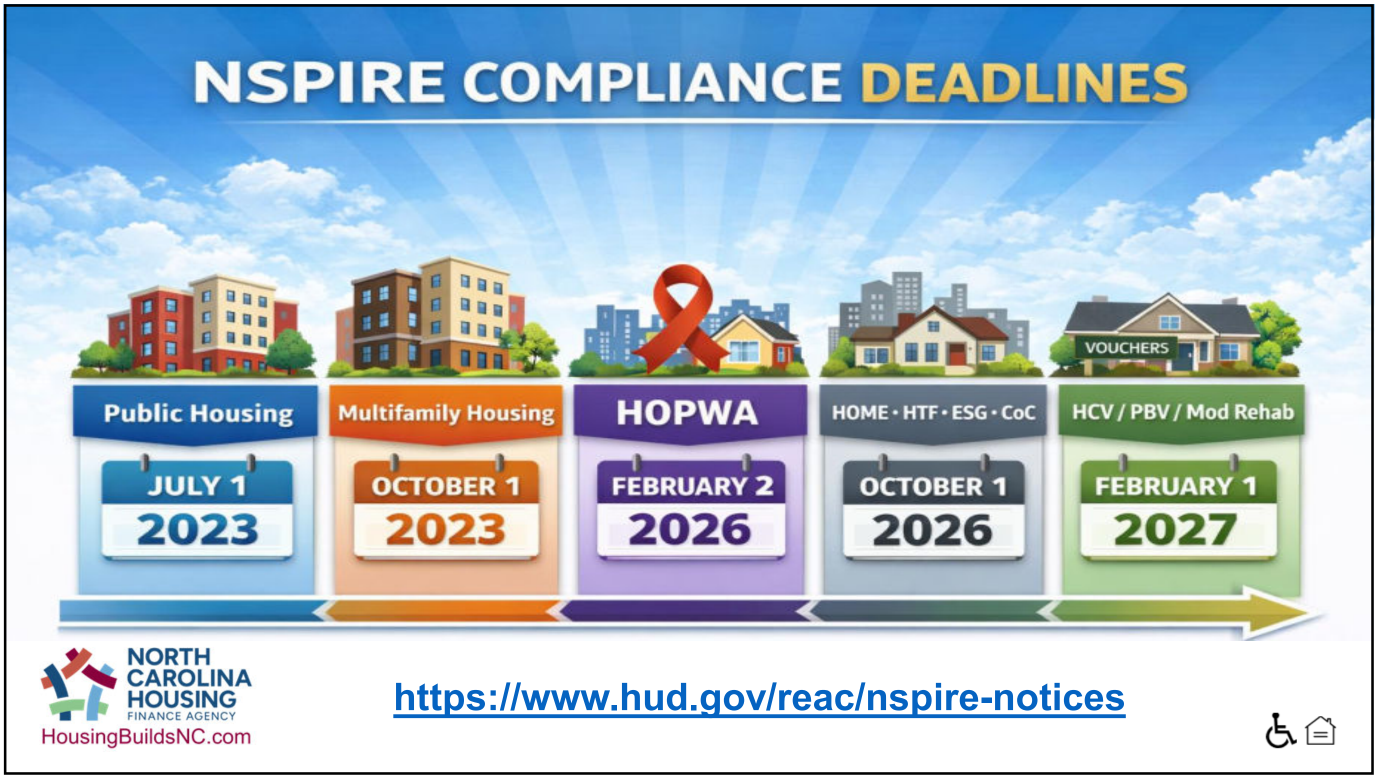
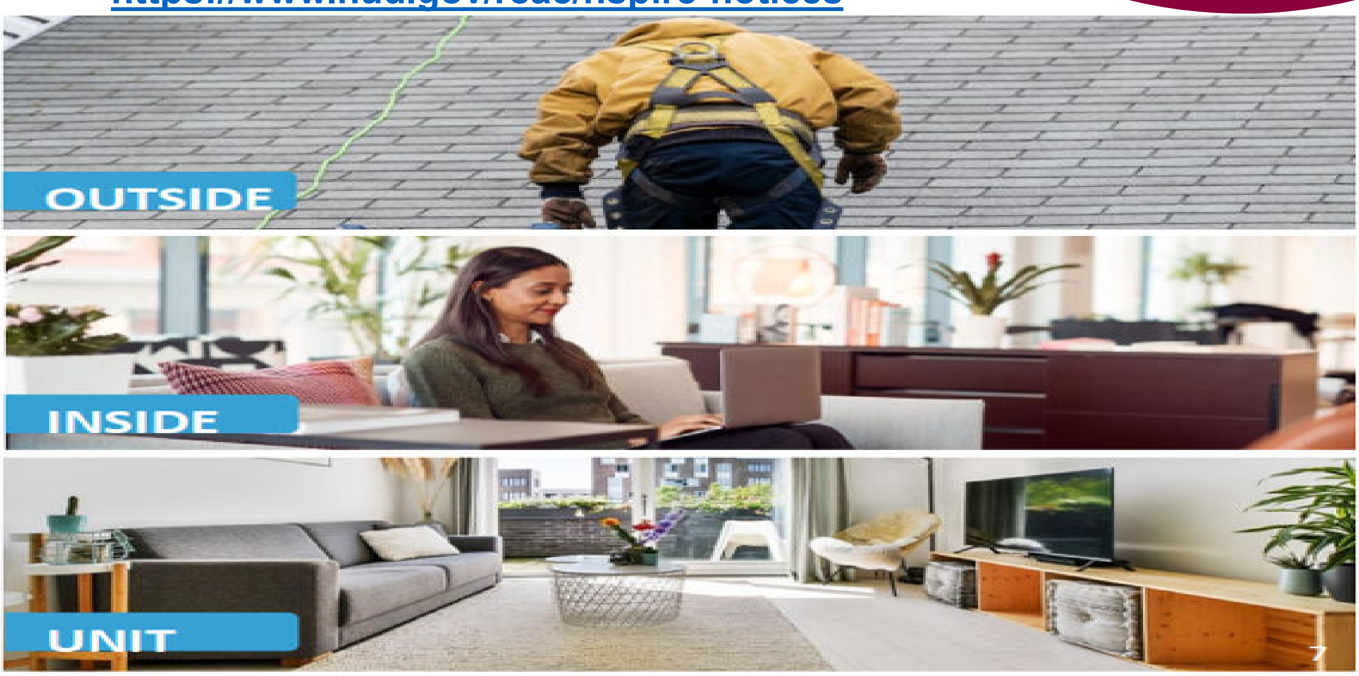
https://www.hud.gov/reac/nspire-notices

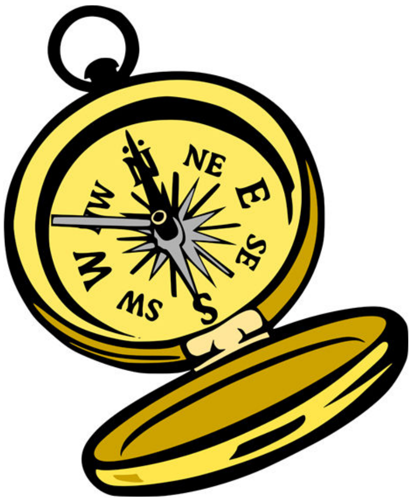


The Three Inspectable Areas

https://www.hud.gov/reac/nspire-notices



The New NSPIRE Standards



- More stringent standards for heating, GFI/AFCI electrical outlets, mold, infestation and structural systems
- Enhanced standards for smoke alarms, CO alarms, fire doors, dryer exhaust, guardrails and handrails
- Increased urgency for health and safety hazards: 24-hour repair for life threatening/severe items and 30-day repair for moderate deficiencies

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Key NSPIRE Focus Areas

- FIRE SAFETY
- WATER SAFETY
- MOLD & MOISTURE
- CARBON MONOXIDE
- INFESTATION
- LEAD-BASED PAINT
- STRUCTURAL
- HABITABILITY

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2025 TOP NSPIRE Findings

Deficiency Count	Standard Item	Deficiency
1547	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker	An unprotected outlet is present within six feet of a water source.
1362	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.
551	Smoke Alarm	Smoke alarm is not installed where required.
542	Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.
461	Door - General	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.
362	Sink	Sink component is damaged or missing and the sink is functionally adequate.
350	Electrical - Conductor, Outlet, and Switch	Exposed electrical conductor.
307	Window	Window component is damaged or missing and the window is not functionally adequate.
305	Fire Extinguisher	Fire extinguisher service tag is missing, illegible, or expired.
298	Toilet	Toilet is not secured at the base.
297	Refrigerator	Refrigerator component is damaged such that it impacts functionality.
272	Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.
261	Sink	Sink or sink component is damaged or missing and the sink is not functionally adequate.
238	Smoke Alarm	Smoke alarm does not produce an audio or visual alarm when tested.
216	Door - General	A door that is not intended to permit access between rooms has a damaged, inoperable, or missing component.
212	Lighting - Auxiliary	Auxiliary lighting is damaged, missing, or fails to illuminate when tested.
177	Bathtub and Shower	Bathtub component or shower component is damaged, inoperable, or missing and it does not limit the resident's ability to maintain personal hygiene.
168	Ventilation	Exhaust system has restricted airflow.
167	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.
164	Mold-Like Substance	Presence of mold-like substance at moderate levels is observed visually.

The 63 NSPIRE Standards

Final Standards

STANDARDS	Inspectable area(s) standard applies to: Unit	Inside	Outside
Address and Signage Standard			Y
Bathtub and Shower Standard	Y	Y	
Cabinet and Storage Standard	Y	Y	
Call-for-Aid System Standard	Y	Y	
Carbon Monoxide Alarm Standard	Y	Y	
Ceiling Standard	Y	Y	
Chimney Standard	Y	Y	Y
Clothes Dryer Exhaust Ventilation Standard	Y	Y	Y

Click on the Standard for detailed information

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NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

TITLE:	CALL-FOR-AID SYSTEM
VERSION:	V3.0
DATE PUBLISHED:	06/20/23

DEFINITION:	A call system used by a resident to summon aid during a medical emergency.	
PURPOSE:	Provides the resident with a means to alert emergency service.	
COMMON COMPONENTS:	Annunciator; Pull cord; Speaker; Lights; Alarm; Faceplate	
LOCATION:	☒ Unit	Bathroom, bedroom, hallway
	☒ Inside	Common area, including bathroom and hallway
	☐ Outside	None
MORE INFORMATION:	For the purposes of this inspection, personal "wireless call-for-aid systems" typically worn around a resident's neck are not to be inspected.	

DEFICIENCY 1:	System is blocked, or pull cord is higher than 6 inches off the floor.	
LOCATION:	☒ Unit	☒ Inside
DEFICIENCY 2:	System does not function properly.	
LOCATION:	☒ Unit	☒ Inside

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NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 1 — UNIT: SYSTEM IS BLOCKED, OR PULL CORD IS HIGHER THAN 6 INCHES OFF THE FLOOR.

DEFICIENCY CRITERIA:	System is blocked. OR Pull cord end is higher than 6 inches off the floor.	
HEALTH AND SAFETY DETERMINATION:	Life-Threatening	The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.
CORRECTION TIMEFRAME:	24 hours	
HCV PASS / FAIL	Fail	
HCV — CORRECTION TIMEFRAME:	24 hours	

INSPECTION PROCESS:

OBSERVATION:
- Look for a call-for-aid system along the walls.
- Look to see if a cord is present if required; not all call-for-aid systems will have a cord, some may have a button.
- Look at the call-for-aid system and visually inspect for any obstruction that would prevent a resident from accessing the system (e.g., furniture and equipment, clothes, plants, etc.).

REQUEST FOR HELP:
- None

ACTION:
- If a cord is present, measure the distance between the end of the pull cord and the floor to determine if it is greater than 6 inches

More Information:
- If the call-for-aid system is a button-only device, then do not record a deficiency for a pull cord end that is higher than 6 inches off the floor.

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NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 1 — INSIDE: SYSTEM IS BLOCKED, OR PULL CORD IS HIGHER THAN 6 INCHES OFF THE FLOOR.

DEFICIENCY CRITERIA:
System is blocked.
OR
Pull cord end is higher than 6 inches off the floor.

HEALTH AND SAFETY DETERMINATION: Life-Threatening — The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

CORRECTION TIMEFRAME: 24 hours
HCV PASS / FAIL Fail
HCV — CORRECTION TIMEFRAME: 24 hours

INSPECTION PROCESS:

OBSERVATION:
- Look for a call-for-aid system along the walls.
- Look to see if a cord is present if required; not all call-for-aid systems will have a cord, some may have a button.
- Look at the call-for-aid system and visually inspect for any obstruction that would prevent a resident from accessing the system (e.g., furniture and equipment, clothes, plants, etc.).

REQUEST FOR HELP:
- None

ACTION:
- If a cord is present, measure the distance between the end of the pull cord and the floor to determine if it is greater than 6 inches

More Information:
- If the call-for-aid system is a button-only device, then do not record a deficiency for a pull cord end that is higher than 6 inches off the floor.

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NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 2 — UNIT: SYSTEM DOES NOT FUNCTION PROPERLY.

DEFICIENCY CRITERIA:
A call-for-aid system does not emit sound or light or send a signal to the annunciator.
OR
The annunciator does not indicate the correct corresponding room.
OR
Pull cord is missing.
OR
Pull cord is tied up such that it cannot be engaged.

HEALTH AND SAFETY DETERMINATION: Life-Threatening — The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

CORRECTION TIMEFRAME: 24 hours
HCV PASS / FAIL Fail
HCV — CORRECTION TIMEFRAME: 24 hours

INSPECTION PROCESS:

OBSERVATION:
- Look for a call-for-aid system along the walls.
- Look to verify that a cord is present, if so designed.
- Listen to verify that the system emits an audible alarm, if so designed.
- Verify the system emits a visual alarm, if so designed.

REQUEST FOR HELP:
- Ask the POA if the call-for-aid system is monitored onsite or offsite.
- If monitored offsite, do not test functionality of the system.
- Ask the POA to station a staff person with a cellphone or two-way radio at the annunciator panel to standby for the alarm to activate and to contact the POA once the alarm activates.

ACTION:
- Pull the pull cord from its lowest hanging point.
- Verify that the system emits a visual alarm, such as a flashing light, and alerts at the annunciator panel.

MORE INFORMATION:
- If the property has third-party documentation of a call-for-aid inspection, then the inspector does not need to test call-for-aid stations. Instead, the inspector should:
  - Verify that the documentation addresses all parts of the call-for-aid system.
  - Verify that the third-party documentation is dated within the last 12 months of the inspection date.
- If the call-for-aid system is abandoned:
  - Do not evaluate call-for-aid systems if all pull stations have been removed and all that remains are the indicator lights, audible indicators, or annunciator panel.
  - The primary consideration is that no part of the user interface remains.
- If the call-for-aid system is a button-only device, then do not record a deficiency for a missing pull cord.

NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 2 — INSIDE: SYSTEM DOES NOT FUNCTION PROPERLY.

DEFICIENCY CRITERIA:

A call-for-aid system does not emit sound or light or send a signal to the annunciator.
OR
The annunciator does not indicate the correct corresponding room.
OR
Pull cord is missing.
OR
Pull cord is tied up such that it cannot be engaged.

HEALTH AND SAFETY DETERMINATION:	Life-Threatening	The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.
CORRECTION TIMEFRAME:	24 hours	
HCV PASS / FAIL	Fail	
HCV — CORRECTION TIMEFRAME:	24 hours	

INSPECTION PROCESS:

OBSERVATION:
- Look for a call-for-aid system along the walls.
- Look to verify that a cord is present, if so designed.
- Listen to verify that the system emits an audible alarm, if so designed.
- Verify the system emits a visual alarm, if so designed.

REQUEST FOR HELP:
- Ask the POA if the call-for-aid system is monitored onsite or offsite.
- If monitored offsite, do not test functionality of the system.
- Ask the POA to station a staff person with a cellphone or two-way radio at the annunciator panel to standby for the alarm to activate and to contact the POA once the alarm activates.

ACTION:
- Pull the pull cord from its lowest hanging point.
- Verify that the system emits a visual alarm, such as a flashing light, and alerts at the annunciator panel.

MORE INFORMATION:
- If the property has third-party documentation of a call-for-aid inspection, then the inspector does not need to test call-for-aid stations. Instead, the inspector should:
  - Verify that the documentation addresses all parts of the call-for-aid system.
  - Verify that the third-party documentation is dated within the last 12 months of the inspection date.
- If the call-for-aid system is abandoned:
  - Do not evaluate call-for-aid systems if all pull stations have been removed and all that remains are the indicator lights, audible indicators, or annunciator panel.
  - The primary consideration is that no part of the user interface remains.
- If the call-for-aid system is a button-only device, then do not record a deficiency for a missing pull cord.

WOW! That's a lot!

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https://usinspectiongroup.com/

NCHFA Response Policy

All deficiencies/noncompliance require a response to the Physical Inspection Results Letter (within 30 days of receipt of letter)

- Life Threatening/Severe
- Moderate
- Low

Life Threatening and Severe items must be repaired within 24-hours

- Documentation that repair was made in that timeframe to be included in the Physical Inspection Response (30 days response)
- No 24 Hour separate documentation is required to be uploaded in RCRS

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NSPIRE Items:
No Longer Considered Grace Period and Now Considered NONCOMPLIANCE

- 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 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
- 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 single use outlet
- Guardrails: Required for elevated heights of 30 inches or more
- Fire Labeled Doors (all defects)

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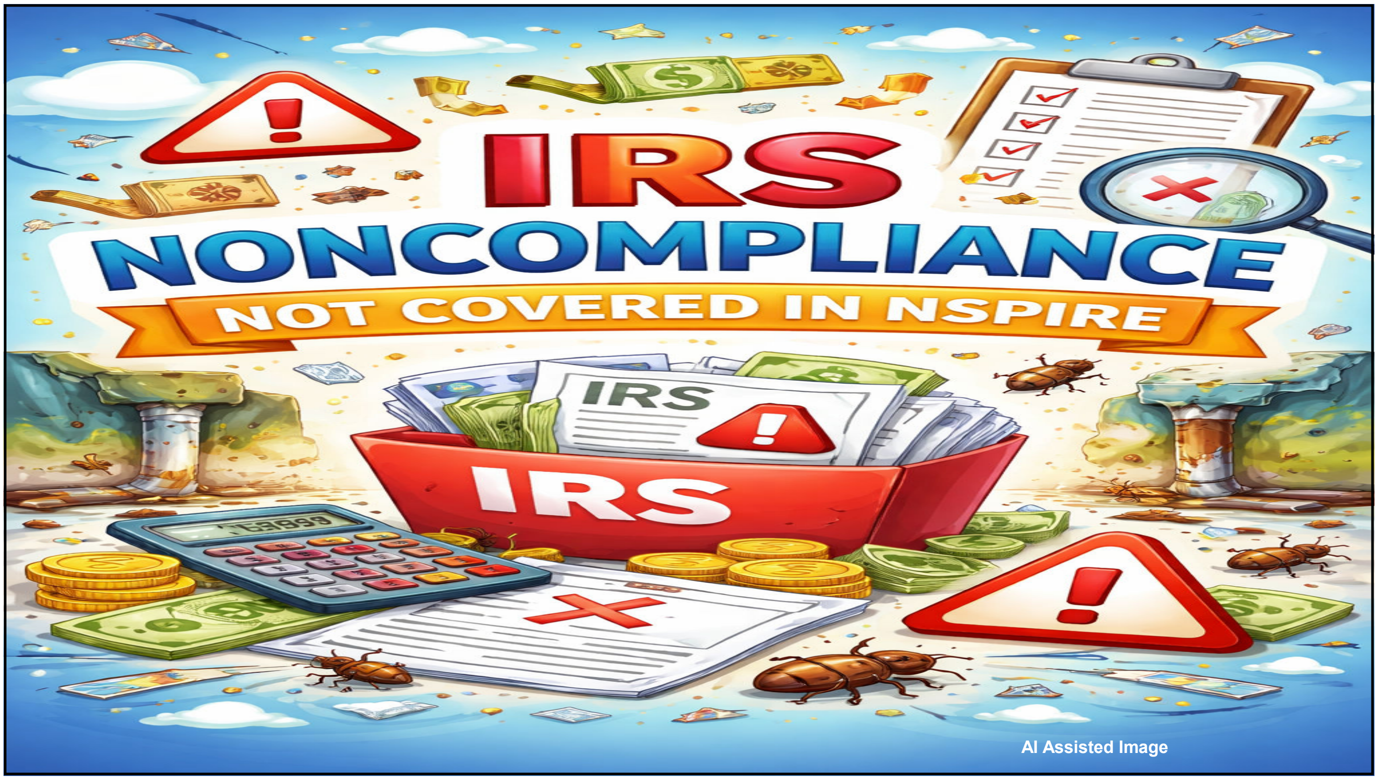
https://www.hud.gov/reac/nspire-notices



IRS Noncompliance
Not Covered 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 glass 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 90 degrees minimum and latch

Vacant Unit: must be rent ready within 30-days (no outstanding repairs or maintenance issues

Accessibility: All amenities, common areas and accessible units should be in compliance

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Inspections- New Construction/Rehabs (Effective 1/1/2026)

92.251(a)(3)(vi)(A)

- a carbon monoxide alarm must be installed in the housing unit in a manner that meets or exceeds the carbon monoxide detection standards set by HUD

92.251(a)(3)(vi)(8)(2)

- each hardwired smoke alarm must have an alarm designated for hearing-impaired persons

NSPIRE

24 CFR 92.51(a)

- Standards are accepted by HOME (as well as the Federal Alignment Program)

Environmental, health, safety hazard notifications

24 CFR 92.253(f)

- Added notification to the PJ as a requirement

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

Deficiency Count	Standard Item	Deficiency
615	Vacant Unit	Vacant longer than 6 months (rent ready or not)
490	Egress	Egress window blocked.
340	Non-Inspectable Area	Area not inspectable for any reason
323	Management Company Processes	Move in not reported in RCRS
315	QAP	Roll in Showers: missing weighted shower curtain on properties allocated 2006 or later.
304	Egress	Egress door will not open 90 degrees or will not latch.
259	Accessibility	Accessibility issue.
257	Egress	Egress 36" path of travel not available.
257	Vacant Unit	Not rent ready within 30-days of move out
249	QAP	Fire protection - no fire stops or fire extinguisher in unit on properties allocated 2007 or later.
244	Documents	Documents: Sprinkler System Inspection
220	Flammable and Combustible Item	Improperly stored flammable material (outside of NSPIRE)
203	Documents	Documents: Fire Alarm and/or Fire Extinguisher Testing greater than 12 months or has unresolved deficiencies or report is unavailable
194	Management Company Processes	Vacancy not reported in RCRS
152	Market Appeal	Vegetation in unintended areas
150	Sidewalk, Walkway, and Ramp	Drop off on sidewalk greater than 3/4 inch.
149	Market Appeal	Indoor furniture observed outside.

2025 Top State Findings

North Carolina Housing Finance Agency: Policy Update 4.0
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

Change History:
NSPIRE 4:0: Changed the grace period items for 2026, added interior walkway egress verbiage, removed Management Plan from documents
NSPIRE 3.0: Changed the grace period items for 2025

NCHFA – Updated 12/2025

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https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

NCHFA State Noncompliance




Market Appeal:

- Indoor furniture observed outdoors (common areas and tenant patios)
- Excessive trash/litter/furniture observed throughout the property
- Cable/Telephone boxes: covers missing/exposed wires
- Graffiti: More than 1 sq. ft & permanent or Vulgar/gang related/threating in any size
- Discarded smoking material in the mulch beds (potential fire hazard)

Vegetation:

- In unintended areas: nothing can touch/roof/siding/mechanical equipment or other unintended surfaces
- Overgrown/excess on fencing where it affects curb appeal
- Overgrown/excesses that blocks site exterior pole lighting

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YOU CARE.

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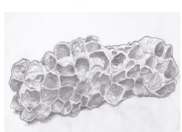
NCHFA State Noncompliance





Egress: All rooms/hallways should maintain a minimum 36" clear pathway to an exit

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 NSPIRE health & safety violation

Wasp nest in common areas or areas that are subject to regular human contact or passage

Grease discarded on building components or in the landscaped bedding areas around the budling

The Compliance Compass...
Navigating NCHFA Compliance & Beyond

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NCHFA State Noncompliance

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

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https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

NCHFA State Noncompliance

Roof: observed 2 or more missing shingles in a single area of a roof

Retaining Walls: any size wall showing any sign of rot/deterioration/missing wall components (not landscaping boarders less than 1 ft)

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)

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NCHFA State Noncompliance

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 heating source)

Tires and/or Car Parts observed in the unit and/or storage

Trip hazard: including non-temporary cable/power cards, torn or lifted carpet, damaged thresholds

Unintended Drop-Offs: any sudden drop off a walkway greater than ¾"

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https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

NCHFA State Noncompliance

Broken water heater pan or plug missing

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)

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Navigating NCHFA Compliance & Beyond

NCHFA State Noncompliance




Tub: faucet or spout pulled away from wall (allows for water penetration)

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 (NSPIRE allows for 75% coverage)

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https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

NCHFA State Noncompliance




- **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)
- **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)
- **Tenant provided fire extinguishers** must remain charged and in operable condition

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

NCHFA State Noncompliance

Repairs must be made with like material and in a professional manner (in all inspectable areas)

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)

Vacant Units:

- Utilities are not turned on during the inspection
- Units vacant over 6 months (rent ready or not) with no move-in scheduled

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https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

QAP Requirements – State Noncompliance

- **Smoking:** All properties awarded credits 2015 or later, smoking not allowed within 25 ft of building
- Any time **oxygen** is available for use – smoking is prohibited (regardless of allocation date)
- **Roll in showers:** All properties awarded credits 2006 later, management is required to furnish a weighted shower curtain
- **Fire Protection:** All properties awarded credits 2007 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

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https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2026-qualified-allocation-plan-qap

Required Management Documents - State Noncompliance

- ✓ Tenant Selection Plan (bulletin board & RCRS)
- ✓ Affirmative Fair Housing Marketing Plan (bulletin board & RCRS)
- ✓ VAWA Emergency Transfer Plan (bulletin board)
- ✓ Blank Lease (RCRS for RPP properties)
- ✓ 8609s with Part II completed and signed by the owner (uploaded in RCRS only)
- ✓ Tenant Grievance Procedures (bulletin board & RCRS – CHDO properties)

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

NCHFA Reviews

Physical Inspection, File Review And Best Practices

AI Assisted Image

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Navigating NCHFA Compliance & Beyond

Review Monitoring Frequency

<u>**File Reviews – Determined by Funding Sources**</u>

Tax Credit
- Every third year

Rental Production Program (RPP)
- Annually

Average Income Selection
- Annually

Workforce Housing Loan Program (STC)
- Annually

<u>**Physical Inspections Frequency and Sample Size – Determined by Funding Source**</u>

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

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<u>**NOTE:**</u>
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	Spring Branch Apartments	Steven James	(919) 981-2654	spjames@nchfa.com
02/25/2025 9:30 A.M.	Physical Inspection	L. Richardson Hospital	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
02/25/2025 12:00 P.M.	Physical Inspection	Richardson Village	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
03/13/2025 9:00 A.M.	Physical Inspection	Southgate Apartments	Krista Zimmer	(919) 480-8947	klzimmer@nchfa.com
March/2025	Physical Inspection	Churchview Farm	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
March/2025	[illegible]sical Inspection	[illegible]	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
March/2025	[illegible]sical Inspection	[illegible]	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
March/2025	[illegible]	[illegible]	[illegible] Zimmer	(919) 480-8947	klzimmer@nchfa.com
April/2025	[illegible]	[illegible]	Steven James	(919) 981-2654	spjames@nchfa.com
April/2025	[illegible]	[illegible]	Steven James	(919) 981-2654	spjames@nchfa.com
April/2025	[illegible]	The Terrace at Rocky Knoll	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
May/2025	[illegible]sical Inspection	Colony Place	Randa McCauley	(919) 981-2691	rjmccauley@nchfa.com
May/2025	[illegible] Review	Rankin King Farms Apartments	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
June/2025	File Review	Southgate Apartments	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
July/2025	File Review	Colony Place	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
September/2025	File Review	Churchview Farm	Lisa Alston	(919) 877-5669	lnalston@nchfa.com

Month of inspection

Compliance Monitor name & contact information

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- Review this in January (and throughout the year)
- Contact compliance monitor if you see any potential conflicts

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 4.0, 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 your work

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

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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 Fair Housing Marketing Plan
  - Tenant Selection Plan
  - 8609's
  - Etc.

Only provide what is requested in the notification letter

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Review Reminders

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 – Remember to review all State requirements and ensure Site Staff has a copy before the inspection.

https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

IRS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
NSPIRE
NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

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Review Reminders – Inspection Day

<u>Review of Management Documents:</u>

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 use for properties layered with RD in place of HUD Form 5381

CHDO Properties

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

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CHDO
Certified Housing Development Organization

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 the inspection failed, time will be needed for service calls and re-inspections
- Reports showing failing results will put the building(s) and/or components in noncompliance

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Review Reminders – Unit Selection

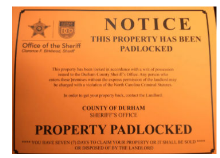
Choosing units to be inspected:

- 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 to 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



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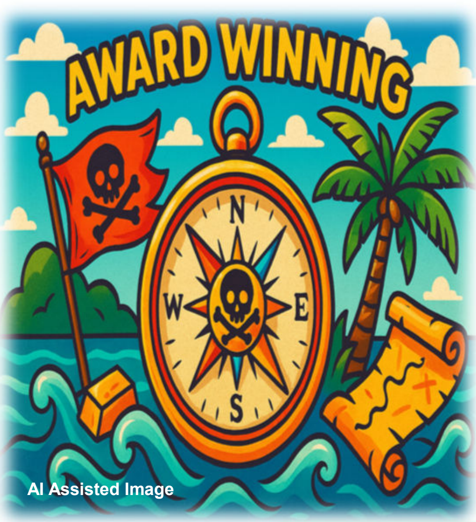
Reminder:
Vacant Units over 6 months (rent ready or not) will be inspected and state noncompliance issued for being vacant over 6 months. A move in will correct this

How to have an award winning day



- Have a preventative maintenance schedule
- Walk your property on a regular basis – Front and Back
- Conduct random inspections
- When staff is inside apartments – look for work orders that need to be generated. Don't go in with blinders on.
- 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!

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Be inspection ready everyday!

Preliminary Inspection Report - Physical Inspection

Village by the Sea Homes
2389 Sandy Lane, Oak Island, NC 28765

02/18/2026 9:00 AM

Fire Alarm: 10/20/2025
Riser Room: 10/2025
Back Flow: 1/21/2026
Fire Ext.: 10/1/2025
Sprinkler: 10/20/2025
Elevator: 2/17/2026

AFHMP: 7/1/2024
TSP: 7/1/2020
8609s: Uploaded in RCRS

Sick: 103, 110, 223, 309, 314, 316, 401, 414
Bed Bugs: None
Evictions: None
Vacant Units
105 became vacant 12/17/2025
408 became vacant 1/30/2026 - less than 30-days.

Observation Summary

	Severity				
Area	**Low**	**Moderate**	**Severe**	**Life-Threatening**	**State Deficiencies**
Unit	0	0	0	0	1
Inside	0	1	0	0	0
Outside	0	0	0	0	0
Total	**0**	**1**	**0**	**0**	**1**

Note: Observations having the same deficiency type are only counted once per area (e.g. hole in wall in kitchen and bedroom only counts as 1).

Property Observations

Inside
Elevator
Elevator is inoperable.

Car #1 inoperable.

Preliminary Inspection Report

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

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Unit Observations

Building 400, 584 Sea Shell Lane (NC-23-25874) Unit 402

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

24-Hour Correction Required

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)

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Reviews - Results Letter

- 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)

Exhibit A
Light House Apartments
Friday, February 16, 2024

Noncompliance Issues:

Bin #	Unit #	Out of Compliance Date	Type of Noncomplaince	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 documentiing the correctoin	Uncorrected
NC-20-007777	77	2/16/2024	IRS	The hall smoke detecors is missing	Please provide a work order documenting the correction	Uncorrectd
NC-20-007777	77	2/16/2024	State	Observed evidience of smoking material (cigrette butts in the hall bathroom toilet	Please provide evidience that the violation was addressed with the resident	Uncorrected
NC-20-007777	All	2/16/2024	State	Observed a hole in the siding that allows water penetrtion to the left of Unit #77 entry door	Please provide a work order documenting the correction	Uncorrected

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Home | Property List | Property Menu | Actions

9000247 – Treasure Village – Physical Inspection Details – 2024 Physical Inspection

2024 Physical Inspection — Return to Physical Inspections

General | Dates | Units | Findings

Findings

Standard Item	Deficiency	Building	Unit	Description	Notes	Finding Type	Finding Status	Date Corrected
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 a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/12025, this issue will be cited as noncompliance observed.	Compliance Issue	Cleared	
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	Provide a copy of the work order or invoice to document [illegible]	Compliance Issue	Un-Corrected	
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.	N[illegible] 005[illegible]	[illegible]	[illegible]	[illegible]dfathered for [illegible] effective [illegible]sue will be [illegible]pliance observed.	Compliance Issue	Cleared	
Smoke Alarm	(24 Hour Fix) Smoke alarm is not installed where required.	NC-98-00566	116	Bedroom 1 => Missing.	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	Bedroom 2 => Missing.	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected	

24-Hour Correction Notice

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

Exhibit A
Pirates Village
Agency ID: 9000741
7/1/2024

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	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 a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/12025, 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 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.	Uncorrected
All	All	07/01/2024	State	Documents-Documents: Tenant Selection Plan => 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.	Uncorrected
NC-98-00566	116	07/01/2024	State	Wall - Interior-Interior wall has a loose or detached surface covering. => Bathroom 1	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 1/1/12025, 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.		Uncorrected
NC-98-00566	116	07/01/2024	State	Smoke Alarm-**(24 Hour Fix)** Smoke alarm is not installed where required. => Bedroom 2 => Missing.	Pro[illegible] a copy of the work order or invoice to docu[illegible]ent the correction.	Uncorrected

24-Hour Correction Required

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

Failure To Make 24-Hour Repairs

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

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Reviews Results Letter – File Review

- Do not include a copy of the results letter
- Ensure to include only 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

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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

Tip:
Keep correction documentation in order of the Exhibit A

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Reviews - Final Report Letter

Noncompliance Issues:

Bin #	Unit #	Out of Complaince Date	Type of Noncomplaince	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 documentiing the correctoin	3/4/2024
NC-20-007777	77	2/16/2024	IRS	The hall smoke detecors is missing	Please provide a work order documenting the correction	Uncorrectd
NC-20-007777	77	2/16/2024	State	Observed evidience of smoking material (cigrette butts in the hall bathroom toilet	Please provide evidience 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 penetrtion 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 items are left uncorrected, a compliance resolution packet will need to be submitted through RCRS to clear/correct items

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Compliance Resolution Packet

- 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

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Instructional videos posted on the NCHFA Asset Management YouTube Channel

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

Which Direction Do You Go?

When properties have multiple layers of funding, there are some things to remember:

- Typically, you will go with the most restrictive
- Sometimes you have to be in noncompliance with one funding source
  - When this happens, it is ALWAYS best to speak with Ownership and them make the final decision

We will focus on some key differences today:

- Income Limits
- Rent Limits
- Student Rules
- Certification Forms
- Income Determination
- Income Calculation
- Mid-Year Changes
- Over-Income and/or Ineligible Households
- Other items

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Reminders

- When layered with HUD funding, you must adhere to the "Occupancy Protections for HUD Assisted Households in Properties with Low Income Housing Tax Credits" memo
  - Not allowed to terminate assistance just to comply with LIHTC program
  - Can offer an incentive to move, but must meet HUD requirements

ALWAYS get management and ownership approval on decisions that affect multiple programs!

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Income Limits

IRS Limits
- Published annually by HUD per county
- Multifamily Tax Subsidy Income Limits (MTSP)
- HERA Special Income Limits (PIS prior to 2009)
- National Non-Metro Limits (NNM) (projects in rural areas
- Limits are property specific and held harmless after PIS
  - Range from 20% - 80% AMI in 10% increments

Section 8 Limits
- Published annually by HUD per county
- Levels
  - 30% Extremely Low
  - 50% Very Low
  - 80% Low

Rural Development
- Published annually by USDA per county
- Levels
  - 50% Very Low
  - 80% Low
  - Moderate (80% + $5,000)

HOME
- Published annually by HUD per county
- Levels
  - 30% (information only)
  - 50% Very Low
  - 60% (information only)
  - 80% Low

NHTF
- Published annually by HUD per county
- Levels
  - 30%

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Income Limits

- Regardless of the effective date, all limits will be displayed in RCRS using the MTSP effective date
  - MTSP & HUD usually published 1st around April 1st
  - HOME & NHTF usually published 1-2 months later

**NOTE: For state mandated set-asides, NCHFA will use the highest available income limit for the project.

- There are instances that the lower set-asides for a LIHTC property will not match the MTSP published limits
- 60% set-aside and all set-asides for Average Income properties should always match those published

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Rent Limits

IRS

- Calculated using Multifamily Tax Credit Subsidy Income Limits (MTSP)
- Based on imputed household size
- Gross rent must be below max rent limits
  - Gross Rent = Tenant Rent + UA + Fees

HUD

- Determined by HUD utilizing contract rent
- Based on Total Tenant Payment (TTP), the higher of:
  - 30% adjusted monthly income
  - 10% monthly gross income
  - Welfare rent or $25 minimum rent (Section 8 only)

the HOME program

- Rent tied to income limits (low HOME and High HOME)
- If Agency loan – rents must be approved
- Gross rent must be below max rent limit
  - Gross Rent = Tenant Rent + UA + Fees

Note: Change in gross rent calculation with new HOME Final Rule

USDA Rural Development

- Determined by USDA; one of four types
  - Note Rent
  - Basic Rent
  - HUD Contract Rent
  - LIHTC Rent
- Based on Gross Tenant Contribution, the higher of
  - 30% adjusted monthly income
  - 10% gross annual income

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Students

There is no “most restrictive” scenario when it comes to the student rules. When qualifying a household in a mixed subsidy unit, you **MUST** meet **ALL** criteria for all funding sources.

- LIHTC & Tax Exempt Bonds: HH comprised of all FT students are not eligible unless the meet one of the five exceptions
  - Triggered when ALL household members are FT students
- Section 8 & HOME Program: Students FT or PT are not eligible unless they meet one of the exceptions (different than the LIHTC exceptions)
  - Triggered when HoH is enrolled in institution of higher education
- RD: Students FT or PT are not eligible unless they meet all four of the stipulations
  - Triggers when HoH is enrolled in institution of higher education

Full-Time Student
A student enrolled in K-12 or a qualifying educational organization for any time within any 5 months of the calendar year. The months do not have to be consecutive. A month is counted if attended for at least one day of the month.

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Students – Exceptions/Stipulations

LIHTC

Full-Time students of any age at an educational institution are eligible as long as they meet the following exceptions:

1. Married and entitled to file a joint tax return
2. Single parent with dependent child/children
3. Participated in WIOA or similar program
4. Foster Care
5. TANF

Must meet ONE exception

Section 8 & HOME

Full or part-time students attending an institution of higher education are eligible as long as they meet the following exceptions:

1. Over the age of 23
2. Disabled individual receiving assistance prior to 11/30/2005
3. Veteran of the US Military
4. Married
5. Parent with a Dependent Child
6. Independent and individually eligible or has parents who are income eligible
7. Dependent living with a parent

Must meet ONE exception

RD

Students may be considered eligible when all of the following conditions are met:

1. Be of legal contract age under state law
2. Have established a household separate from parents or legal guardians
3. Not claimed by parents of legal guardians per IRS
4. Obtained certification regarding receipt of financial assistance

Must meet ALL stipulations

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Student – Do I Qualify?

Student # 1
- 2 person household: 24 years old, with a dependent child
- FT student in college, and dependent is in Kindergarten
- Answer: YES (LIHTC, HUD/HOME, RD)

Student # 2
- One person household: 25 years old, only household member
- FT student in college
- Answer: NO (LIHTC) and YES (HUD/HOME, RD)

Student # 3
- 2 person household: 20 year old, 21 year old
- One is PT and one is FT in college
- Answer: YES (LIHTC/RD), NO (HUD/HOME)

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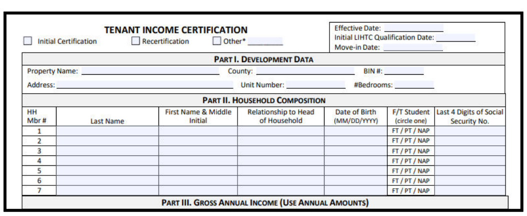
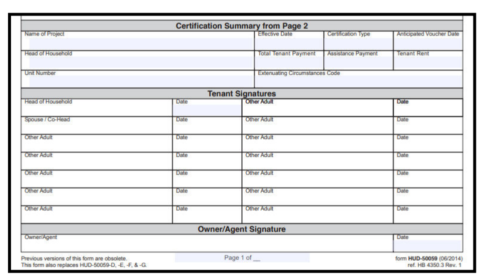
Certification Forms


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

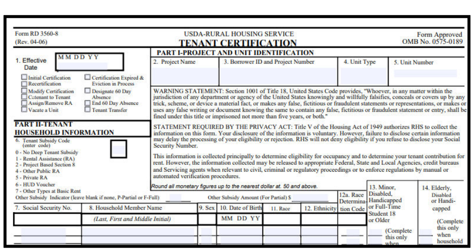
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (circle one)	Last 4 Digits of Social Security No.
1					FT / PT / NAP	
2					FT / PT / NAP	
3					FT / PT / NAP	
4					FT / PT / NAP	
5					FT / PT / NAP	
6					FT / PT / NAP	
7					FT / PT / NAP	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

LIHTC
- Utilizes the Tenant Income Certification (TIC)
- Required form for all projects with Agency funded projects (LIHTC or Loans)


Certification Summary from Page 2
Tenant Signatures
Owner/Agent Signature

HUD
- Utilizes the HUD-50059 or the HUD-50058
- Can be used in lieu of the TIC on mixed funded projects


USDA-RURAL HOUSING SERVICE
TENANT CERTIFICATION
Form RD 3560-8
PART I-PROJECT AND UNIT IDENTIFICATION
PART II-TENANT HOUSEHOLD INFORMATION

RD
- Utilizes the RD 3560-8
- Can be used in lieu of the TIC on mixed funded projects

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Income Determination

Per the IRS Notice 80-88, LIHTC program uses HUD's method of determining annual household income. HUD's annual income rules Can be found in Chapter 5 of the HUD 4350.3. These rules are based on 24 CFR 5.609

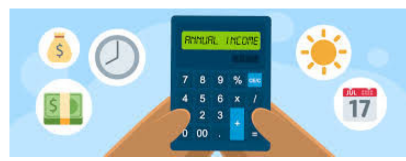
HUD's method of determining annual household income can be found in Chapter 5 of the HUD 4350.3 and calculated based on 24 CFR 5.609.

HUD utilizes Enterprise Income Verification (EIV) in conjunction with 3rd party when verifying income.

Per 24 CFR 92.203 (b) when determining household income eligibility the PJ must use one of the two following definitions of "annual income":

- Annual income as defined at 24 CFR 5.609; or
- Adjusted gross income as defined for purposed of reporting on IRS form 1040

Annual income guidelines can be found in Chapter 6 of the RD HB-2-3560-8. RD CFR 3560.153, states that annual income is calculated in accordance with 24 CFR 5.609.



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Mid-Year Changes

HOME (Agency Funded)
No Effect

RD
Any income changes trigger a full recertification

HUD
Only items that have changed are verified

LIHTC
No Effect

Note: If these are layered together, they can conflict and make remaining in compliance for all programs problematic

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Over-Income & Ineligible Households

LIHTC
- Allows households to remain housed
- Designation would change

RD
- Required to move if adjusted income if above the RD moderate income limit (80% + $5,500)

HOME (Agency Funded)
- Allowed for household to remain housed
- If over 80% AMI, must calculate rent as 30% of adjusted income

HUD
- Allows for household to remain housed
- Subsidy adjusted accordingly (even if no subsidy)

Note: If these are layered together, they can conflict and make remaining in compliance for all programs problematic

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Other Differences

- Leases
  - LIHTC/Bond: minimum 6 months for initial term
  - HOME: minimum 12 month for initial term
- Occupancy
  - LIHTC/Bond/HOME: owner sets occupancy guidelines
  - HUD: not allowed to underutilize or overcrowd
  - RD: if rental assistance, not allowed to underutilize or overcrowd
- Transfers:
  - LIHTC/Bond: sometimes allowed
  - HUD/RD/HOME: always allowed

Refer to the Mixed Funding Quick Reference Chart for even more differences

***found in the back of your training book**

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Don't forget to complete your survey… to get your certificate

Surveys emailed within 7 days

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The Compliance Compass…
Navigating NCHFA Compliance & Beyond

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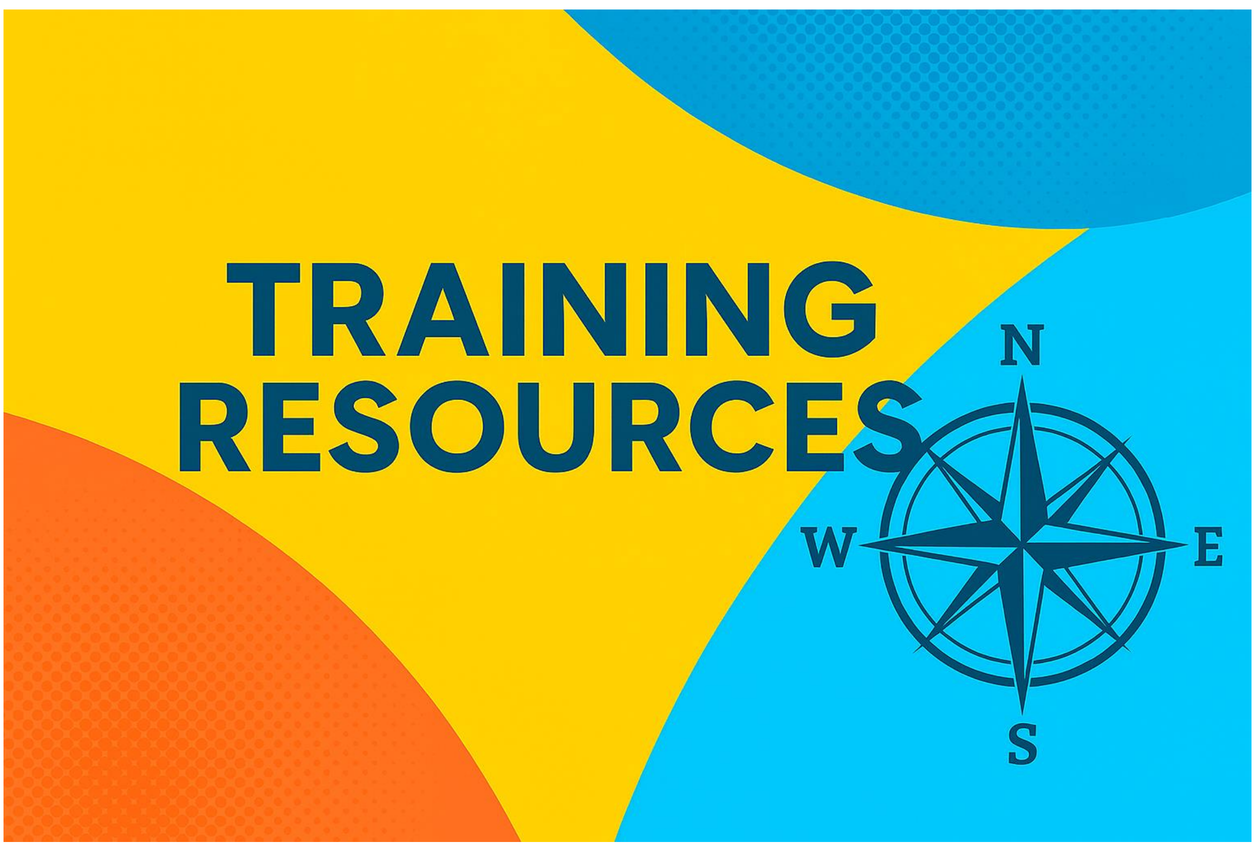

AI Assisted Image

NCHA Rental Asset Management Compliance Manuel

https://www.nchfa.com/sites/default/files/2024-05/ComplianceManual-RentalAssetManagement.pdf

NCHFA HOTMA Guidance

https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf

NCHFA HOME Final Rule Policy

https://www.nchfa.com/sites/default/files/2025-12/HOMEFinalRule1.0.pdf

NCHFA State Noncompliance & NSPIRE Policy

https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf

NCHFA Forms Link
Resident Forms

https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/resident-files

Ownership/Management

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

HUD 4350.3 Chapter 5, Exhibit 5-1, 5-2, Appendix 3
https://www.novoco.com/public-media/documents/hud_handbook_chapter5_income_and_rent_061814.pdf

HUD NSPIRE Website
https://www.hud.gov/reac/nspire

HUD HOTMA Website
https://www.hudexchange.info/programs/hotma/

HUD Federal Register – Income Exclusions
https://www.federalregister.gov/documents/2024/01/31/2024-01873/federally-mandated-exclusions-from-income-updated-listing

HOME Laws and Regulations Website
https://www.hudexchange.info/programs/home/home-laws-and-regulations/

HOME Final Rule
https://www.federalregister.gov/documents/2025/01/06/2024-29824/home-investment-partnerships-program-program-updates-and-streamlining

Lowe-Income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit Technique Guide – Guide for Completing Form 8823
https://www.irs.gov/pub/irs-pdf/p5913.pdf

IRS Section 42
https://www.irs.gov/pub/irs-drop/rr-04-82.pdf

North Carolina Housing Finance Agency: Policy Update 7.0
Housing Opportunity Through Modernization 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 <u>are all specifically included in family income</u>
    - Workman's Compensation 24 CFR § 5.609 (c)(5)
    - Earned income of children under the age of 18 years
- Verifications:
    - Only required to obtain a minimum of TWO consecutive paystubs, no matter how often individual is paid
        - If property is HOME/NHTF only: requirement remains unchanged: two MONTHS worth of pay stubs
    - When utilizing the safe harbor means-tested income determination:
        - The NCHFA form must be utilized; OR
        - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form

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)
        - 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:
        - If property is HOME/NHTF only: 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, <u>all</u> assets must be 3rd 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

Change History:

HOTMA 7.0: Update to align with HOME & NHTF Final Rule changes and including the Safe Harbor changes

HOTMA 6.0: Blended properties with HUD rental assistance must implement HOTMA for all certifications effective 1/1/2026

North Carolina Housing Finance Agency: Policy Update 1.0
HOME Final Rule – Effective 1/1/2026

**Note: Applies to ALL HOME funded properties, no matter the allocation year

Income Determinations

Allows income determinations by other rental subsidy programs
24 CFR 92.203 (a)(1)

- If a family is applying for or living in a HOME-assisted rental unit, and the unit is assisted by a Federal or State project-based rental subsidy program, then a participating jurisdiction may accept the public housing agency, owner, or rental subsidy provider's determination of the family's annual income and adjusted income under that program's rules.

Allows income documentation from other governmental public assistance (including LIHTC) at move in and recertification
24 CFR 92.203 (a)(3)

- When using the safe harbor means-tested income determination:
  - The NCHFA form must be utilized; OR
  - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form

Property Standards

Inspections – New Construction/Rehabs
92.251 (a)(3)(vi)(A)

- a carbon monoxide alarm must be installed in the housing unit in a manner that meets or exceeds the carbon monoxide detection standards set by HUD

92.251 (a)(3)(vi)(B)(2)

- Each hardwired smoke alarm must have an alarm system designated for hearing-impaired persons

NSPIRE
24 CFR 92.251(a)

- standards are accepted by HOME (as well as the Federal Alignment Program)

Rent/Income Limits & Utility Allowances

HOME Rent Limits
24 CFR 92.252(a)

- Rent limits do not apply to federal, state, or local assistance where a family is part of a program where a family is paying 30% of months adjusted income
- Tenant portion of rent plus utility allowance must still remain under the rent limits. Rental assistance is not used to determine compliance with the rent limits. However, in order to exclude KEY assistance, the tenant portion of rent and utility allowance must be calculated at 30% of household income.
- Low HOME rents: rents can exceed the low HOME rents if the unit is a LIHTC unit and has rents not greater than the gross rent for rent-restricted resident units as determined under the 42 (a)(2)(iii)

Utility Allowances
24 CFR 92.252(b)

- Clarifies that cable and broadband are NOT included
- Allows the PHA UA to be used

Rent Increases (notice to tenants)
24 CFR 92.252(e)

- increase in rent requires 60-days' notice instead of 30 (will need to adjust the rent increase policy)

Surety bonds are NOT allowed in place of security deposits
24 CFR 92.214

Environmental, health, safety hazard notification
24 CFR 92.253(f)

- added notification to the PJ as a requirement

HOTMA
Effective 7/1/2025 for all certifications. Please refer to the HOTMA 7.0 Guidance published on the NCHFA website.

NCHFA – Updated 12/2025

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: ❑ Single ❑ Married ❑ Divorced ❑ Separated ❑ Widowed	
Have you ever used another name? ❑ Yes ❑ No If yes, please indicate name:	

❑ Spouse ❑ Co-Head ❑ Other Adult	
Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: ❑ Single ❑ Married ❑ Divorced ❑ Separated ❑ Widowed	
Have you ever used another name? ❑ Yes ❑ 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: ____________________

NCHFA – Updated 8/2025

PART 3 – HOUSEHOLD INFORMATION:

RENTAL HISTORY (must show most recent 2-year rental history)			
Household Member Name:			
	Current Residence	**Previous Residence**	**Previous Residence**
Street Address:			
City, State, Zip:			
Select One:	❑ Rent ❑ Own ❑ Other	❑ Rent ❑ Own ❑ Other	❑ Rent ❑ Own ❑ Other
If other, explain:			
Owner/Landlord Name:			
Owner/Landlord #			
Reason for Leaving			
Dates of Residency mm/yy	From: ________ To:__________	From: ________ To:_________	From: ________ To:__________

RENTAL HISTORY (must show most recent 2-year rental history)			
Household Member Name:			
	Current Residence	**Previous Residence**	**Previous Residence**
Street Address:			
City, State, Zip:			
Select One:	❑ Rent ❑ Own ❑ Other	❑ Rent ❑ Own ❑ Other	❑ Rent ❑ Own ❑ Other
If other, explain:			
Owner/Landlord Name:			
Owner/Landlord #			
Reason for Leaving			
Dates of Residency 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: ____

EMERGENCY CONTACT INFORMATION		
Name:		
Relationship:	Phone #:	Email:

PART 4 – HOUSEHOLD ASSETS:

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

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

I/We hereby certify that I/we ❑ **HAVE** ❑ **HAVE NOT** sold or given away assets for less than their fair market value within the last 2 years. *(Excluding items lost in bankruptcy, divorce, or foreclosure)*

If Applicable: Identify all assets sold of disposed of for less than fair market value in the last two years.

HOUSEHOLD MEMBER NAME	ASSET DESCRIPTION	MARKET VALUE	DATE DISPOSED	AMOUNT RECEIVED

PART 5 – SOURCES OF INCOME:

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

	HEAD OF HOUSEHOLD		CO-HEAD		ADDITIONAL HOUSEHOLD MEMBERS	
Type of Income	**Check One**	**Monthly $**	**Check One**	**Monthly $**	**Check One**	**Monthly $**
Employment	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Self-Employment	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Gig Income (Ride Share, Food Delivery, etc.)	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Regularly Recurring gifts	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Social Security	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
SSI (Supplemental Security Income)	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Retirement Income	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Pensions	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Disability or Death Benefits (not SSI)	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
TANF or other Public Assistance	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Alimony	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Child Support	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Unemployment Compensation	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Workers' Compensation	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Income from Rental Property	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Military Pay, including all allowances	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Severance Pay	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Annuities Income	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Insurance Policies Income	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Scholarships/Grants/Work Study	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Long Term Care Payments	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
Income from Training Programs	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
List Other Income:	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ No	$
	❑ Yes ❑ No	$	❑ Yes ❑ No	$	❑ Yes ❑ 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: ❑ Single ❑ Married ❑ Divorced ❑ Separated ❑ Widowed	
Have you ever used another name? ❑ Yes ❑ No If yes, please indicate name:	

❑ Spouse ❑ Co-Head ❑ Other Adult	
Name:	Phone #:
Mailing Address:	
City/State/Zip:	Email:
Current Marital Status: ❑ Single ❑ Married ❑ Divorced ❑ Separated ❑ Widowed	
Have you ever used another name? ❑ Yes ❑ 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:

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

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

I/We hereby certify that I/we ❑ **HAVE** ❑ **HAVE NOT** sold or given away assets for less than their fair market value within the last 2 years. *(Excluding items lost in bankruptcy, divorce, or foreclosure)*

If Applicable: Identify all assets sold of disposed of for less than fair market value in the last two years.

HOUSEHOLD MEMBER NAME	ASSET DESCRIPTION	MARKET VALUE	DATE DISPOSED	AMOUNT RECEIVED

PART 4 – SOURCES OF INCOME:

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

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

ANNUAL STUDENT CERTIFICATION

Complete one form per household.

Development Name: ______________________________

Head of Household Name: ______________________________ Unit No: ______________

Certification Type: ☐ Initial ☐ Recertification (Effective Date: ______________)

SELECT ONE OPTION:

**Note: Students include those attending public or private elementary schools, middle or junior high schools, senior high schools, colleges, universities, technical, trade, online, or mechanical schools, but does not include those attending on-the-job training courses:

❑ Household contains at least one occupant who is not a student and has not been/will not be a student for five months or more out of the current and/or upcoming calendar year (months need not be consecutive). **(If selected, STOP and sign bottom of form)**

❑ Household contains all students, but is qualified because the following occupant(s) ______________ is/are a PART-TIME student(s) who have not been/will not be a full-time student for five months or more of the current and/or upcoming calendar year. *Verification of part-time student status is required for at least one occupant*. **(If selected, STOP and sign bottom of form)**

❑ Household contains <u>all</u> students who were, are, or will be FULL-TIME for five months or more out of the current and/or upcoming calendar year (months need not be consecutive). **(If selected, questions 1-5 below must be completed)**

1.	Is any member married and entitled to file a joint tax return? (attach marriage certificate or tax return)	☐ YES	☐ NO
2.	Is at least one student a single parent with child(ren) *and* this parent is not a dependent of someone else, *and* the child(ren) is/are not dependent(s) of someone other than a parent? (attach student's most recent tax return and, if applicable, divorce/custody decree or other parent's most recent tax return)	☐ YES	☐ NO
3.	Is at least one student receiving Temporary Assistance to Needy Families (TANF)? (provide release of information for verification purposes)	☐ YES	☐ NO
4.	Does at least one student participate in a program receiving assistance under the Workforce Innovation and Opportunity Act or under other similar federal, state, or local laws? (attach verification of participation)	☐ YES	☐ NO
5.	Does the household consist of at least one student who has ever been under the care and placement responsibility of the state agency responsible for administering foster care? (provide verification of participation)	☐ YES	☐ NO

Full-time student households that satisfy one of the above conditions are considered eligible.
If questions 1-5 are marked ***NO*** *or verification does not support the exception indicated, the household is considered ineligible.*

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

Applicant/Resident Signature Date Applicant/Resident 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
TOTALS	$	$	$	$
			Total Income (E):	**$**

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

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: $ ______
From Part V. on Page 1

Current Income Limit per Family Size: $ ______

Household Income at Move-in: $ ______

Household Size at Move-in: ______

Designated Income Restriction:

☐ 80% ☐ 70%
☐ 60% ☐ 50%
☐ 40% ☐ 30%
☐ 20% ☐ ______%

RECERTIFICATION ONLY:

Current Income Limit x 140%: $ ______

Household is over income at recertification:

☐ Yes ☐ No

PART VII. RENT

Tenant Rent: $ ______

Utility Allowance: $ ______

Rental Assistance: $ ______

Other non-optional / mandatory fees: $ ______

Gross Rent for Unit (See Instructions): $ ______

Unit Meets Rent Restriction at:

☐ 80% ☐ 70%
☐ 60% ☐ 50%
☐ 40% ☐ 30%
☐ 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 Section 8 Moderate Rehabilitation
☐ Public Housing Operating Subsidy
☐ HOME Tenant Based Rental Assistance (TBRA)
☐ HUD Housing Choice Voucher (HCV-tenant based)
☐ HUD Project-Based Voucher (PBV)
☐ USDA Section 521 Rental Assistance Program
☐ 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*

INCOME/ASSET CALCULATION WORKSHEET

Attach calculator tapes as needed.

Development Name: ____________________________

Applicant/Resident Name: ____________________________ Unit No: ______________

Certification Type: ☐ Initial ☐ Recertification (Effective Date: ______________)

INCOME:

SOURCE	GROSS AMOUNT	PAY FREQUENCY	ANNUAL AMOUNT	DESCRIPTION (i.e. company name, HH mbr name)
Wages/Salaries				
Social Security/SSI				
Pensions				
Public Assistance (TANF, etc.)				
Child Support				
Other Income				

ASSETS:

ASSET (i.e. checking, savings)	CASH VALUE	INTEREST RATE (%)/DIVIDEND(S) EARNED	ACTUAL ASSET INCOME	DESCRIPTION (i.e. Bank Name or acct #s)

Total Cash Value of Asset(s) $______________ Total Actual Asset Income$______________

If **Total Cash Value of Asset(s) exceed $50,000** impute at 0.40% (only the assets where asset income cannot be verified)

Imputed Asset Income $______________

Total Annual Income Amount $______________

Total Income from Assets (Verified Asset Income + Imputed) $______________

Total Annual Household Income from All Sources **$**______________

SAFE HARBOR INCOME VERIFICATION

Means-Tested Form for Federal Public Assistance

To be completed by assistance program agency, when using the safe harbor income determination for move-in and/or recertifications. Please complete and return promptly.

DATE: ____________________

COMPANY NAME: ______________________________ DEVELOPMENT NAME: ______________________________

EMAIL: ______________________________ EMAIL: ______________________________

PHONE: ______________ FAX: ______________ 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: ______________________________ **LAST 4 SSN:** __________

SIGNATURE: ______________________________

The following is to be completed by assistance program agency representative

Please fill in ALL blanks. Enter N/A if an item is not applicable to the above individual.

Head of Household: ______________________________ # of Household Members: __________

Total Gross Income (before deductions): ______________________________ Date Income Verified: ______________

Household Members (list all):

Household Member Name	Date of Birth	Relationship to HoH

Income was determined for the following Federal Public Assistance Programs

*if "other" is chosen additional documentation needs attached

❑ TANF - Temporary Assistance for Needy Families (42 U.S.C. 601, et seq)

❑ Medicaid (42 U.S.C. 1396 et seq)

❑ SNAP - Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq)

❑ WIC - Special Supplemental Nutrition Program for Women, Infants, and Children (42 U.S.C. 1786)

❑ SSI - Supplemental Security Income (42 U.S.C. 1381 E)

❑ Other Means-Tested forms of Federal Public Assistance for which HUD has established a memorandum of understanding

❑ Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register

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: ______________

Agency Name: ______________________________ Email: ______________

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
Non-necessary personal property (non-account assets such as RVs, ATVs, boats, antique cars, stamp collections, etc)				**Annuities** (current balance)	$		$
Description:	$		$	**Brokerage accounts** current account balance (mutual funds, etc.)	$		$
Description:	$		$	**Life Insurance** (not term life)	$		$
Cash on hand	$		N/A	**Cryptocurrency** (Bitcoin, etc.)	$		$
Checking (current balance)	$		$	**Stocks/Bonds** (current balance)	$		$
Savings (current balance)	$		$	**CD/Money Market** (current balance)	$		$
Debit cards (not linked to an account that is listed above)	$		N/A	**Trust accounts** (current balance)	$		$
Internet based assets (Cash App, Venmo, PayPal, ApplePay, etc.)	$		$	**Lump sum amounts received** not listed in above accounts (lottery/inheritance, etc.)	$		$
Other | Description:	$		$	**Other | Description:**	$		$
				[A] Total cash value of non-necessary personal property:	$	**[B] Total Income:**	$

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
	$		$
	$		$
[C] Total real property value:	$	**[D] Total real prop income:**	$

TOTAL NET ASSETS AND INCOME

[E] Tax Refund. Have you received a tax return or refundable tax credit in the last 12 months? ❑ yes ❑ no →	$ (value of return/credit)	Subtract tax return/credit (if any) from total net assets. See formula for [F]	
[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)	$	**[G] Total Asset Income: [B] + [D]**	$

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

NCHFA – Updated 12/2024

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":

	Type	Received	Amount
1.	Federal Pell Grants	❑ Yes ❑ No	$
2.	TEACH Grants	❑ Yes ❑ No	$
3.	Federal Work Study Programs	❑ Yes ❑ No	$
4.	Federal Perkins Loans	❑ Yes ❑ No	$
5.	Student financial assistance received under the Bureau of Indian Education	❑ Yes ❑ No	$
6.	Higher Education Tribal Grant	❑ Yes ❑ No	$
7.	Tribally Controlled Colleges or Universities Grant Program	❑ Yes ❑ No	$
8.	Employment training program under Section 134 of the Workforce Innovation and Opportunity Act (WIOA)	❑ Yes ❑ No	$
9.	Other amounts awarded under Section 479B	❑ Yes ❑ No	$
		TOTAL Received	$

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:

	Type	Received	Amount
1.	The Federal government	❑ Yes ❑ No	$
2.	A state (including U.S. territories), Tribe, or local government	❑ Yes ❑ No	$
3.	A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3)	❑ Yes ❑ 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)	❑ Yes ❑ No	$
5.	An institution of higher education	❑ Yes ❑ No	$
		TOTAL Received	$

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	❑ Yes ❑ No	$
2.	Gifts, including gifts from family or friends	❑ Yes ❑ No	$
		TOTAL Received	$

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 $__________**

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: ______________________ DEVELOPMENT NAME: ______________________

EMAIL: ______________________ EMAIL: ______________________

PHONE: ______________ FAX: ______________ 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	❑ FT ❑ PT ❑ N/A	May	❑ FT ❑ PT ❑ N/A	September	❑ FT ❑ PT ❑ N/A
February	❑ FT ❑ PT ❑ N/A	June	❑ FT ❑ PT ❑ N/A	October	❑ FT ❑ PT ❑ N/A
March	❑ FT ❑ PT ❑ N/A	July	❑ FT ❑ PT ❑ N/A	November	❑ FT ❑ PT ❑ N/A
April	❑ FT ❑ PT ❑ N/A	August	❑ FT ❑ PT ❑ N/A	December	❑ FT ❑ PT ❑ 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)		$	❑ Per Semester ❑ Per Quarter
Scholarships (combined)		$	❑ Per Semester ❑ Per Quarter
Other Source		$	❑ Per Semester ❑ 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 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

North Carolina Housing Finance Agency: Policy Update 4.0
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
- Egress: All rooms/hallways should maintain a minimum 36" clear pathway to an exit
- 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 then 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)
- 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)
    - 8609s with Part II completed and signed by the owner (uploaded into RCRS only)
    - Tenant Grievance Procedures (bulletin board & RCRS- CHDO properties)

NSPIRE Items – No longer considered Grace Period and now considered NONCOMPLIANCE under NSPIRE

- 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
- 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

Fire Labeled Doors (all defects)

***HUD NSPIRE Resources: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire**

Change History:

NSPIRE 4:0: Changed the grace period items for 2026, added interior walkway egress verbiage, removed Management Plan from documents
NSPIRE 3.0: Changed the grace period items for 2025