**Compliance Training Discussion Topics**

**2018**

* Inspection Day:
* Rent Roll
* Utility Allowance(s)
* # of Units Receiving Rental Assistance (Section 8, HUD, RD, Private Rental Assistance)
* # of Vacant Units and # of days Vacant
* Affirmative Marketing Plan (Only needed for properties that received HOME funds)
* Tenant Services (if applicable)
* MR/MI Households (if applicable)
* Rent Roll or some sort of document with the following information:
  + Building Identification Number (BIN)
  + Unit Number
  + Bedroom Size
  + Head of Household Name
  + Move-in Date
  + Number of Household Members at Move-in
  + Move-In Income
  + Move-In Set-Aside Percentage
  + Recertification Date
  + Number of Household Members at Recertification
  + Recertification Income
  + Recertification Set-Aside Percentage
  + Tenant Paid Rent
  + Utility Allowance Amount
  + Rental Assistance
  + Gross Rent
  + Move-out Date
* Current Utility Allowance
  + Must be updated each calendar year (annually).
  + No change in allowance must be documented.
  + We do accept the following utility allowance methods:
    - Energy Consumption Model
    - HUD Utility Schedule Model
    - Utility allowance provided from the utility provider
  + If you have a tenant who receives rental assistance from Section 8, you must use the utility allowance from the housing authority that provides the assistance.
* Income and Rent Limits
  + AHFA is no longer providing the individual income and rent limits on the AHFA website for Housing Credit properties.
  + AHFA will still post the HOME income and rent limits on the AHFA website.
  + HUD provides the current income limits and Novogradac provides a Rent & Income Limit Calculator
  + The income limits can be found at the following websites:
    - HUD-<https://www.huduser.gov/portal/datasets/mtsp.html#2018_query>
    - Novogradac-<https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp>
  + You choose the appropriate income limit by the placed in-service date of your property.
  + The gross rent limit is determined by taking the applicable income limit and divide by 12 and then multiply by 30%. The applicable income limit is determined by taking 1.5 persons per bedroom size.

Example:

Montgomery (county)

3-bedroom unit = 3 x 1.5 = 4.5 persons

$37,740   4-person 60% income (for properties placed in service 4-1-18 and after)

+ $40,800   5-person 60% income (for properties placed in service 4-1-18 and after)

$78,540/2 = $39,270

$39,270/12 x .30 = $981.75 (for properties placed in service 4-1-18 and after)

If you have a tax credit property which chose to only charge the 50% rent you would use the same formula and use the 50% income limit.

To determine the rent for an efficiency or studio apartment, use the 1-person limit.

* Tenant Income Certification
  + The Tenant Income Certification (TIC) must be signed and dated by all tenants 18 years of age and older and a member of management.
  + Avoid conflicting information from the TIC and verifications (student, income, etc.)
* Income Verification
  + Third Party verification is always your first choice.
  + If third party verification is not available then you can attempt other methods such as pay-stubs, bank statement, etc.
  + If pay-stubs are used for the income verification, you must use a minimum of 4 to 6.
  + Year-to-date vs Rate of Pay
* Student Verification
  + The Student Verification must be completed **annually** by any tenant age 18 or older.
  + Make sure full-time student households meet one of the exceptions and provide the proof of exception.
  + AHFA will soon have a Student Verification for properties in the extended use period.
* Child Support Verification
  + When third party verification is not available for child support, the tenant can complete the Child Support Verification, but it **must** be notarized.
* Re-certifications
  + 100% low-income property can use the Recertification form.
  + If the Recertification Form is not used the file must have a completed TIC and student verification.
  + If your property received HOME funding, you must complete a full recertification in years 6, 12, 18. The move-in year counts as year 1.
  + If the property is **NOT** 100% low-income then a full recertification is due at each year.
* Asset Verification
  + Assets must be verified from a 3rd party if they are $5000 or greater on a Housing Credit property.
  + If your property received HOME funding then assets must be verified from a 3rd party no matter the amount.
* Effective Date
  + On a 100% low-income property, the Effective Date (Move-in Date) stays with the household while the household lives at the property.
  + On a non-100% low-income property, the effective date can change if the household transfers to a different building.
* Unit Transfer
  + A household on a 100% low-income Housing Credit funded property can transfer to any unit on the property.
  + If the property is not 100% low-income and the household is requesting to move to another building, you must move them out of their current unit and requalify them in the new unit.
  + If your property received HOME funding, you must maintain your property set-aside requirement (check application).
* Tenant Services
  + If tenant services are selected on the application, then we check to see if they are offered (sign-up sheets, pictures, etc.).
  + Check your application to see what services are listed for your property.
  + If you would like to change to another tenant service, just submit a request to the Compliance Department.
* HOME Rule regarding Utility Allowances
  + For properties where the HOME funds were committed on or after August 23, 2013 **must** use:
    - Estimate received from the local utility provider
    - Estimate calculated from the HUD Utility Schedule Model
    - Estimate calculated using the Energy Consumption Model
  + For properties where the HOME funds were committed on or after August 23, 2013, you **cannot** use a local PHA utility allowance.
  + Guidelines for all the acceptable utility allowances are found in the AHFA Compliance manual.
  + Properties that receive housing credits and the HOME funds were committed on or after August 23, 2013 **must** use the utility allowance from the local housing authority for Tax Credit purposes.
* Physical Inspection
  + We check for the required and extra amenities selected on the application.
  + We inspect the building’s exterior and interior.
  + We inspect 20% of the units or use the Low-Income Housing Credit Minimum Sample Size Reference Chart, whichever is lower.
  + The units are chosen randomly.
  + The units and files inspected do not have to match.
  + Vacant Units can be included in the 20%.
  + Report any physical issues that could be a compliance issue to AHFA before the inspection.
* Qualified Allocation Plan (QAP)
  + At a minimum, check the QAP to see what findings are subject to point deductions. You can access the QAP by going to [www.AHFA.com](http://www.AHFA.com) and in the search icon type QAP and then click on current year Allocation Plan.
  + It is recommended to have an inspection schedule (monthly, quarterly, etc.).
  + If you have questions concerning what is a finding, please refer to the HUD Dictionary of Deficiency Definitions (effective date 8/9/12). You will see most of the listed QAP point deduction findings are considered Level 3 findings.
  + Point deductions are only applicable to your properties funding year (example: the 1999 QAP included fire extinguishers; the 2013 QAP included fire canisters).
  + The unit must have at least one working smoke detector on each level.
  + If an insect infestation is visible in the unit (especially in the kitchen or food storage area) it is subject to a point deduction.
  + Make sure to get your corrections to AHFA by the due date. This does not mean wait to send them in on the due date.
* Amenities
  + Check the application to make sure you have all the selected extra amenities.
  + If you have discrepancies there could be a potential point deduction if not corrected.
  + To correct the discrepancy, you must either provide the amenity, submit a prior approved change order from AHFA, submit a change order with change order fee, or submit a request to remove the amenity with change order fee.
  + If needed, email the compliance department for a copy of the application amenity sheet.
* AHFA Online
  + The online system must be updated each month to ensure up-to-date information.
  + The system must be finalized each year.
  + Before finalizing, make sure all the tenant data has been entered from January 1 through December 31.
  + Your choices tell the system which set of income and rent limits to use.
  + Make sure each cell has an answer even if it is ‘N/A’.
  + Make sure the answers to the income and rent set-aside question are accurate (if the household is within the 50% income or rent range then choose 50%).
  + At move-in, make sure to enter the tenant’s move-in income in the Move-In and Current Income cells (this allows the tenant’s move-in income to flow from year to year).
  + Do **not** use negative numbers (if the tenant paid rent is $-50, then enter zero).
  + If importing, you must start from January 1st each time.
  + If importing, you must send all the tenant data each time no matter the tenant event.
  + To review the tenant data that has been entered or imported, just go to the ‘Export Events’ screen.
* Annual Owner Certification (AOC)
  + It can be submitted online by using AHFA Online.
  + It can be filled out by the authorized online user for the property
  + It is faster for both parties
  + No Paper
  + If submitted early, we can check it and get back with who submitted it if needed
  + You just answer yes, no, or n/a to each question
  + If you have not received 8609s, but have started renting units then you must submit the paper AOC with a rent roll as of December 31st.
  + If your property only received HOME funds, you must submit the paper AOC with a rent roll as of December 31st.

For any questions contact our Compliance Department at [MFCompliance@AHFA.com](mailto:MFCompliance@AHFA.com)