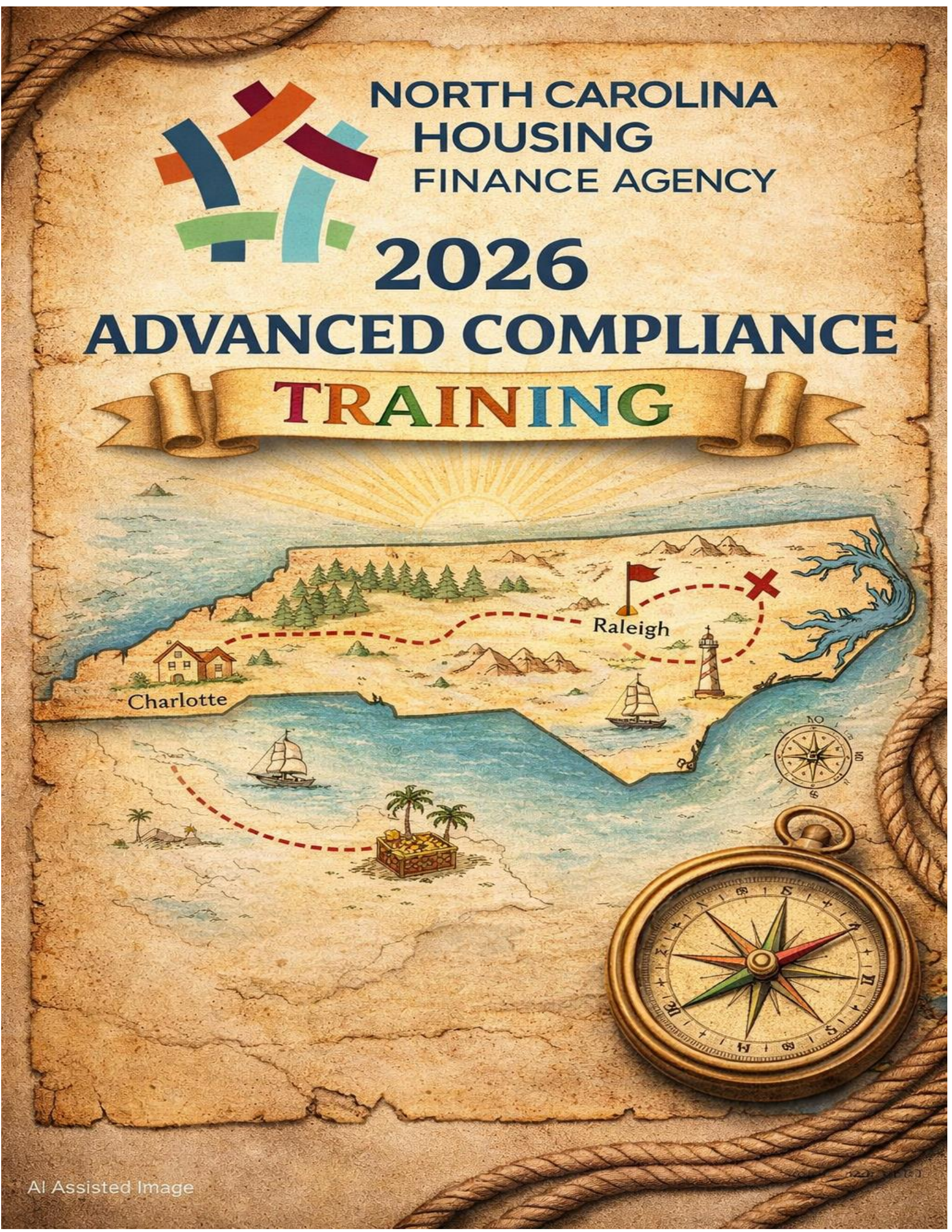

NORTH CAROLINA
HOUSING
FINANCE AGENCY
2026
ADVANCED COMPLIANCE
TRAINING
Raleigh
Charlotte
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NCHFA Advanced Compliance Training
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Physical Address:
3508 Bush Street
Raleigh, NC 27609-7509

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**
Thea Craft, Manager of Community Living, tmcraft@nchfa.com	**(919) 875-3762**

Community Living & Rental Assets Teams:

Tanya Clark, Team Leader	**tbclark@nchfa.com**	**(919) 877-5665**
Lisa Alston	**lnalston@nchfa.com**	**(919) 877-5669**
Susan Caulder	**sccaulder@nchfa.com**	**(919) 981-2641**
Melissa Keller	**mdkeller@nchfa.com**	**(919) 480-8970**
Kim Scott	**kascott@nchfa.com**	**(919) 578-3492**
Chelsea Isaksen, Team Leader	**ckisaksen@nchfa.com**	**(919) 480-8786**
Chad Bixler	**cebixler@nchfa.com**	**(919) 500-5242**
Tammy Douglas	**tgdouglas@nchfa.com**	**(919) 877-5654**
Lisa Hernandez	**lahernandez@nchfa.com**	**(919) 578-3472**
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:	Lisa Hernandez
If you have a question about utility allowances, contact:	Tammy Douglas
If you have a question about the Targeting/KEY Program/Payments, contact:	Louise Gardner
If you have questions about our training requirements or training workshops, contact:	Steven James
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:	Amber Payne
If you have questions about Management Documents, contact: (AFHMPs, Leases, etc.)	Dorian Minters
If you have questions about Management Company Report Cards, contact	Chelsea Isaksen

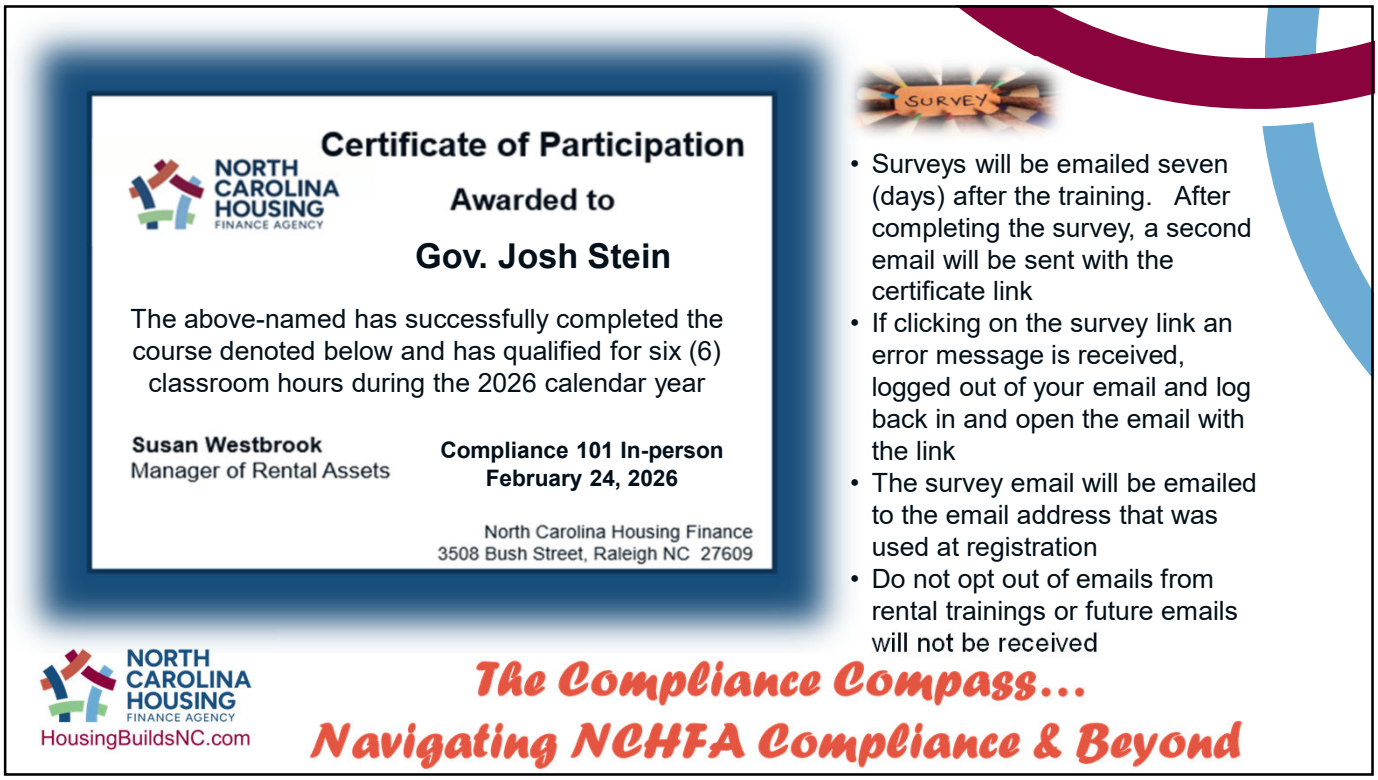




- Prior to the beginning of the training, technical difficulties, please call 919.515.2277
- During the training, please use the Q & A Box
- After training, if you have compliance questions, you may email rentaltrainings@nchfa.com
- Be sure you access the training using the name and email that you registered
- You must attend the entire training in order to receive credit – virtual attendance is tracked

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Certificate of Participation
NORTH CAROLINA HOUSING FINANCE AGENCY
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
SURVEY
• 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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HOT TOPICS
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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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2027 HUD INFLATION ADJUSTED VALUES

Effective January 1, 2027

Based only on HUD's CY2027 Revised Amounts and Passbook Rate notice.

2027 PASSBOOK RATE		
2027 Passbook Rate	Passbook savings rate	**0.38%**

2027 ADJUSTED AMOUNTS		
CATEGORY	**ITEM**	**2027 VALUE**
THRESHOLDS		
Imputing Asset Threshold	Threshold above which imputed returns must be calculated on net family assets	**$54,898**
NNPP Threshold	Threshold above which the value of non necessary personal property (NNPP) is included in net family assets	**$54,898**
Asset Certification Threshold	Net asset amount for which self-certification may be accepted	**$54,898**
Asset Limitation Threshold *Applies to: Section 8 PBRA, 202/8, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO, and HOPWA*	Eligibility restriction on net family assets	**$109,797**
ANNUALLY ADJUSTED INCOME INCLUSION AMOUNTS		
Adult Dependent Full-Time Student Income	Amount of earned income included for an adult dependent full-time student (who is not the head, co-head, or spouse of the head) when determining annual income.	**$525**
Adoption Assistance	Amount of adoption assistance payments included when determining annual household income.	**$525**
ADJUSTED INCOME: ANNUALLY ADJUSTED DEDUCTIONS (only used where determining a household's adjusted income is required under program regulations)		
Elderly/Disabled Household Deduction	Mandatory deduction for household in which the head, co-head ,or spouse of the head is age 62 or older or is a person living with a disability.	**$575**
Dependent Deduction	Mandatory dependent deduction	**$525**

All amounts and the passbook savings rate are effective January 1, 2027.

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2027 Key Payment Standard Update

UPDATE

Effective January 1, 2027, we are increasing Key payment standards. Some counties are also being assigned to new Payment Tiers for 2027. The worksheets are available on the Agency Website.

Please be aware of the following:

- NEW PAYMENT STANDARDS
- NEW PAYMENT TIERS
- UPDATED WORKSHEETS
- AVAILABLE ON OUR WEBSITE

NORTH CAROLINA HOUSING FINANCE AGENCY

- The system will automatically pick up the new payment amount for **January 1, 2027** when management submits the request on or after **December 1, 2026.** Management will not need to enter Updates or make changes in RCRS for this to occur.
- For move-ins **before January 1, 2027,** management should be using the existing Key calculation worksheet.
- For move-ins **on or after January 1, 2027,** management should be using the new worksheet based on the Tier assigned to the property.
- For recerts or update events **NOT** submitted to NCHFA but signed **on or after December 1, 2026,** management should use the new calculation worksheets available on our website.
- For any recert or update effective **3/1/2027 or later,** there should be no exceptions to using the updated forms because the new calculation forms have been published.
- Counties changing from **Tier 1** to **Tier 2** include Davie, Forsyth, Polk, Stokes and Yadkin. Counties changing from **Tier 2** to **Tier 3** include Buncombe, Camden, Carteret, Dare, Henderson, Iredell, Lincoln, Madison and Pender. Counties changing from **Tier 3** to **Tier 4** include Chatham, Durham and Orange.

NEW WORKSHEET AVAILABLE



New Worksheet for Applying Individual Assessment Guidelines When Screening Applicants for Housing Who Have Criminal Convictions Available

Important Notice

This worksheet is provided as a suggested tool to assist management companies in applying Individual Assessment Guidelines when screening applicants with criminal convictions. Use of this worksheet is **not required** and does not replace any applicable laws, regulations, or company policies.

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Visit our website: www.NCHFA.com > Rental Housing Partners > Rental Owners & Mangers > Policies, Resources & Forms > Owner/Management > Fair Housing > Initialized Assessment Worksheet

NEW

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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New Fee Schedule – Effective 10/1/2025

Fees are due at the time of the transaction

Fee Name	Description of Fee	Fee
Utility Allowance Fee	Utility allowance processing fee for Company Estimate, Agency Estimate, HUD Utility Schedule, or Energy Consumption Model	$250
Ownership Change Fee	Ownership change fee for Tax Credit property only	$500
Ownership Change Fee (Agency Loan)	Ownership change fee for properties with an Agency loan	$1,500
Partnership Change Fee	Partnership change request	$500
Management Company Change Fee	Management Company change request	$500
MF Loan Modification Fee	Multifamily Loan Modification request	$500

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Utility Allowance Fee Update – Effective 7/1/2026

- Payment for UA processing must be submitted electronically in RCRS at the time UA documentation is uploaded
- Payment accepted by ACH only – Credit cards payments cannot be accepted
- New UA Payment instructions availed on our website and in the Training Resources Section



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

What are you graded on?

- 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

Tax Credit Experience

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

Registered with the NC Secretary of the State

- 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



PRIOR APPROVAL REQUIRED

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Category	Agency Staff Name	Agency Staff Email	Agency Staff Phone
KEY Program Compliance	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 Compliance	Krista Zimmer	klzimmer@nchfa.com	(919) 480-8947
Report Card Requirements	Chelsea Isaksen	ckisaksen@nchfa.com	(919) 480-8786

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Report Card – Approved Management Company Requirements Contacts



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?

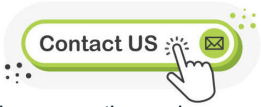
- NAHMA 8.0 is the latest technical data standard for the electronic transfer of LIHTC tenant data. This version was specifically updated to align with the requirements of HOTMA

HUD released the new Income Limits – 5/1/2026

Available in RCRS

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



HOME Policy Released

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



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



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Legal Documents





Documents to read over and ensure you understand in order to really stay in compliance at your properties:

- Declaration of Land Use Restrictive Agreement (LURA) & Extended Use Agreement (EUA)
- Deed Restrictions
- Commitment Letters
- Loan Agreements
- Deed of Trust

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Important Verbiage

Affordable To





Occupied By

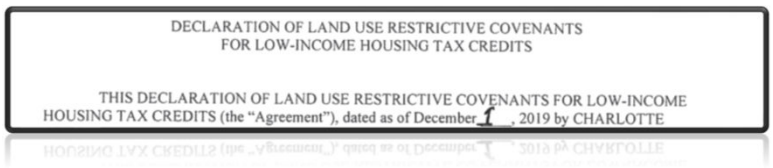
- "Affordable to" refers to the financial capability of a household to pay for housing (rent)
- "Occupied by" describes the actual inhabitants currently living in a unit (income)

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What is the LURA?

- Is an agreement between an owner/developer and a government entity (NCHFA)
- It documents the restrictions placed upon a property for that allocation of Tax Credits
- Specifies the minimum set-aside selected (40/60, 20/50 or Average Income)
- Notes any additional set-asides from Agency funding and or QAP requirements
- Includes the Extended Use Agreement (EUA), which is 15 years
- It's important for any investors to realize that if an owner sells a property and the LURA is still active, the new buyer will still have to abide by all of its rules.




DECLARATION OF LAND USE RESTRICTIVE COVENANTS
FOR LOW-INCOME HOUSING TAX CREDITS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR LOW-INCOME HOUSING TAX CREDITS (the "Agreement"), dated as of December 1, 2019 by CHARLOTTE

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What's in the Deed Restrictions?

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







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Other Important Documents

- Deed of Trust
  - Tax requirements
- Loan Agreements (including amendments)
  - Reserve account requirements
  - Financial audit requirements
  - Insurance requirements
- Commitment Letters
  - Original requirements at the time of the owners application





COMMITMENT





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Working Together - Example

- All documents work together to build the community
- Lets build Seaglass Meadows
- Property Details:
  - 78 units
  - Family
  - 4 buildings
- Funding Sources:
  - Tax Credit
  - NHTF



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Working Together - LURA

SECTION 4 - INCOME AND RENT RESTRICTIONS

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

(a) **Minimum Set-Aside**: At least forty percent (40%) or more of the residential units in the Project are both rent-restricted and occupied (or if unoccupied, held for occupancy only) by individuals whose income is sixty percent (60%) or less of area median gross income (subject to any exceptions permitted under Section 42 of the Code for tenants whose income increases after initially meeting such restriction).

(b) **Non-profit set-aside**: no applicable requirements

40% at 60% AMI
Minimum = 30 Units
Rent & Income

25% at 30% AMI
Minimum = 20 units
Rent & Income

SECTION 5 – STATE HOUSING POLICY RESTRICTIONS

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

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

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

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Working Together – Deed Restrictions

40% at 50% AMI (32 units)
60% at 60% AMI (46 units)
INCOME Restricted

17 NHTF Units
RENT

Additional Restrictions:

At all times during the Term of this Declaration, the Project shall meet the requirements set forth below:

A. Affordable Rents Requirement. Initial rent, including utilities, for the residential units in the Project shall not exceed the amounts set forth in Exhibit A attached hereto and incorporated herein by reference. The Affordable Rents may be revised in writing by Lender as updated median income levels are provided by HUD. Each revision will be effective as of the date of the Lender's written notice. Rents may only be increased with the Lender's prior written approval. Notwithstanding Lender's approval, in no event shall the rent exceed "affordability standard" set out in 24 CFR Section 93.302. The Agency reserves the right to reduce the Affordable Rents during the term of the RPP Loan in the event that NHTF program rent limits are lowered.

B. Low Income Occupancy Requirement. Forty percent (40%), thirty-two (32), of the residential units in the Project must be reserved for and occupied by families whose Household Income does not exceed fifty percent (50%) of the area median income as calculated by HUD. The determination of whether a tenant meets this Low Income Requirement shall be made by the Owner at least annually on the basis of the then current income of such tenant and the guidelines established by the Program.

The remaining forty-six (46) residential units in the Project must be reserved for and occupied by families whose Household Income does not exceed sixty percent (60%) of the area median income as calculated by HUD. The determination of whether a tenant meets this Low Income Requirement shall be made by the Owner at least annually on the basis of the then current income of such tenant and the guidelines established by the Program.

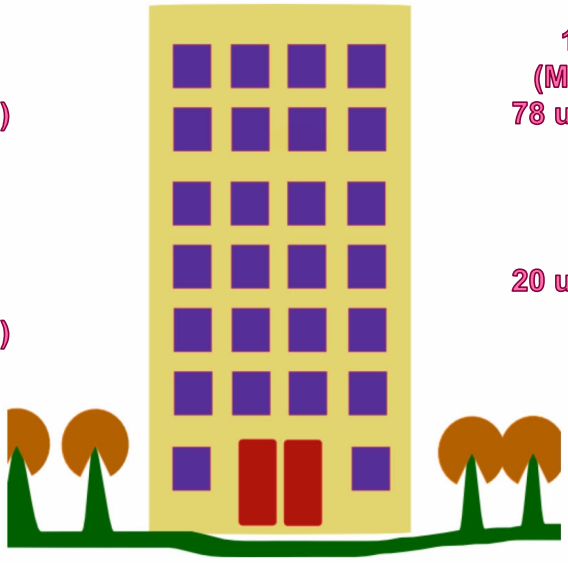
C. NHTF-assisted Units Requirements. The Project has seventeen (17) NHTF-assisted units that are subject to the NHTF rent rules and regulations found at 24 CFR Part 93.250 for families whose annual incomes do not exceed thirty percent (30%) of the median family income of a geographic area, as determined by HUD with adjustments for income based on smaller and larger families, as well as adjustments for rent based on number of bedrooms in the unit. At all times during the term of the NHTF-assisted units shall meet the minimum requirements set forth below:

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Working Together – Deed Restrictions

40% @ 50% AMI
(RPP)
32 units (income)

60% @ 60% AMI
(RPP)
46 units (income)

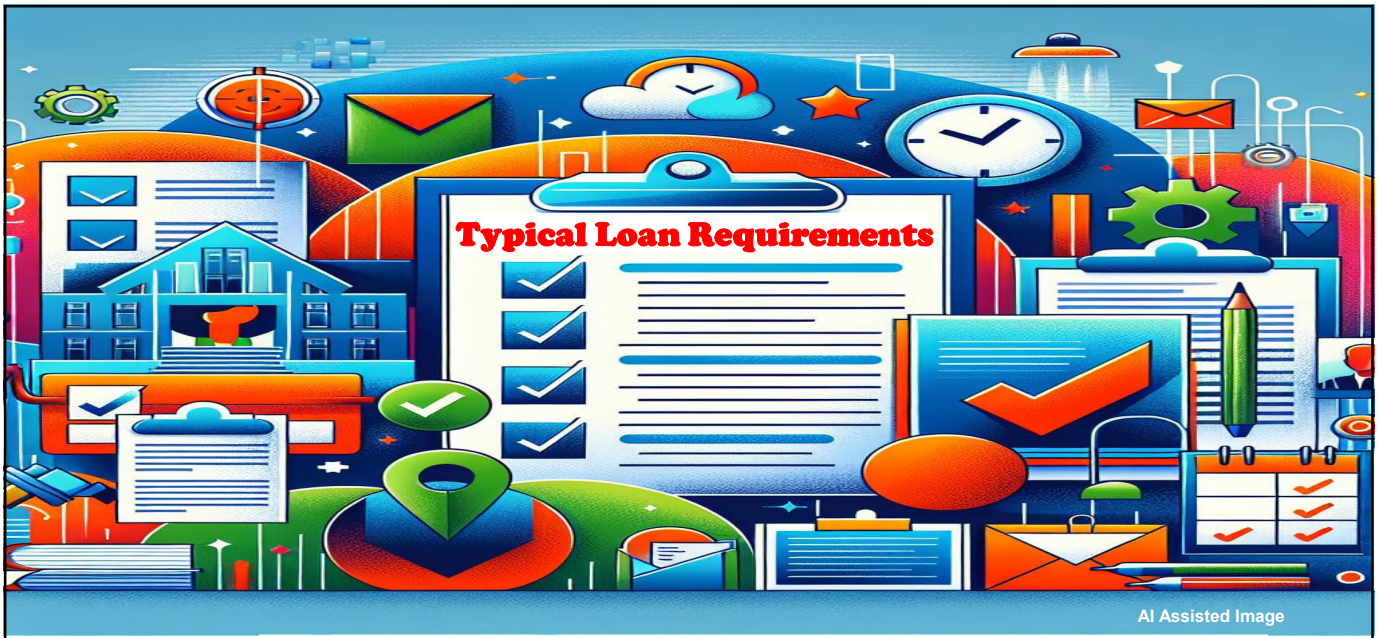


100% @ 60% AMI
(Minimum Set-Aside)
78 units (rent & income)

25% @ 30% AMI
(QAP)
20 units (rent & income)

25% @ 30% AMI
(NHTF)
17 units (rent)

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Who Needs Rent Increase Approval

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

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

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

Funding Types Requiring Rent Increase Approval

- ISHP (Integrated Supportive Housing Program)
- TCAP Loans
- RPP Loans (HOME, HTF, NHTF)
- PLP Loans (HOME, HTF)
- SHP Loans (HOME, HTF, NHTF)
- State Tax Credits (2024 allocations & going forward)
- All Properties (2025 allocations & going forward)

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NOTE
Always refer to property specific loan documents if clarification is needed

Rent Increases Before the 8609s Are Issued

- All tax credit deals must have Agency approval until the 8609s have been issued
- When Development Staff is Reviewing the Final Cost Cert, they will discover if you have increased rents without approval.
  - There are consequences that are determined by development and you could lose the ability to request future rent increases.





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Rent Increase Requirement 2025 Allocations and Going Forward

Regardless of funding Type Agency Approval Required

Included in the 2025 QAP



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NCHFA Rent Increase Policy

For increases with an Effective Date of 1/1/2026 or later

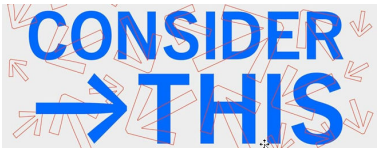
As a reminder, any property with an Agency loan must request Agency approval prior to implementation of a rent increase:

- All increases must be submitted **60-DAYS** prior to the effective date, and tenants must receive a 60-day notice
- If submitting a rent increase of $25 or less: no additional justification is needed regardless of DCR/cash flow of the property (still needs to be entered and approved prior to implementation)
- If submitting a rent increase of more than $25 AND the property exceeds a DCR of 1.15 (or cash flow of **$1000/unit**) with the proposed budget, additional justification will need to be emailed to klzimmer@nchfa.com
- If the proposed budget is significantly different than previous years audited financials, justification will need to be sent to klzimmer@nchfa.com
- The utility allowance must not be expired when the rent structure is submitted
- If an increase of more than $50 is approved, the following will hold true
  - Elderly Property: no more than **$50** can be passed along to existing unassisted tenants per year
  - Family Property: no more than **$75** can be passed along to existing unassisted tenants per year

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REMINDER:
If a rent increase request is returned to you, the effective date must be 60 days of the re-submittal date.

Rent Increase Reminders (cont.)



Debt Service Coverage Ratio

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

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

Cashflow Requirements:

- After adjustments are made, 1.15 debt coverage ratio
- If the debt coverage ratio is more than 1.15, then look at projected cash flow
  - ✓When cash flow is less than $1000 per unit per year (PUPY), we may approve the increase
  - ✓When cash flow is more than $1000 PUPY, we will either decrease or deny the increase

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Failure to get required approval…

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

- **Will show up on the Management Company Report Card**



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Properties with HUD/RD Approved Rents

If rents approved by HUD/RD **AND** Agency approval is required -

- Follow steps to enter approved rents annually
- Ensure rents and UA's match those on approval letter
- Ensure effective date matches the approval letter
- Forward approval letter to Krista Zimmer at klzimmer@nchfa.com

USDA Rural Development

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Common Reasons why rent increases are returned

- Utility Allowance is not current or the most current approved UA is not being used. (if a new UA is submitted for approval, do not submit your Rent Increase until the UA is approved)
- Effective date is not a minimum of the 60 days from the submission (or resubmission date).
- Current Financials are not submitted.
- Not meeting required set asides.
- Asking for a large increase not justified by the budget and/or audited financials.
- Asking for more than one increase in a 12-month period.

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If you see this under Rent Structure after entering your new rent structure, then you are not meeting a minimum set aside. There should be no numbers in Red.

Set-Aside	PMI	Units
QAP (20% of Units)	30%	14 / 15
HOME (40% of Units)	50%	72 / 29
Federal Tax Credits (100% of Units)	60%	72 / 72
HOME	60%	72 / 5

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If you see this under Rent Structure, then your property is exempt and does not have to submit a rent structure or request a rent increase



JUST A REMINDER

Reminder:

even if your property is exempt from rent increase oversite, you cannot go over the rent limits for your property.

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Rent Increases

Instructions include helpful tips to ensure submissions meet all required criteria

Property List → APN → Property Menu → Rent Structure

Instructions to enter are located on the Agency website

- Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Rent Increase Process

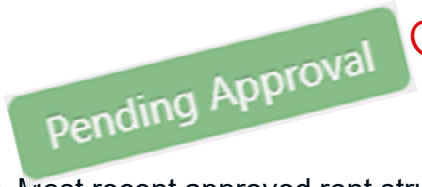
Who needs to seek Agency approval prior to increasing rents:

- All properties with active Agency loan
  - With HOME/NHTF even if the loan is paid; if the property is still in the affordability period prior approval is required
- State Tax Credits (WHLP) allocated 2024 or later
- All properties awarded allocations 2025 or later (regardless of funding source)

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https://www.nchfa.com/sites/default/files/2025-12/Rent%20Increase%20Process.pdf

PRIOR APPROVAL REQUIRED





Rent Increases

Property List > APN > Property Menu > Rent Structure

- Most recent approved rent structure is displayed including the effective date and any "special instructions" in regards to the increase
- To submit a rent increase
  - Click the Add Proposed Rent Structure button
  - Enter the effective date, new rents, updated UA (make sure to hit update after each line item). Click the OK button once completed
  - Click the Add Budget button (enter the proposed budget for the year of the increase being suggested). Click OK once completed
  - Once you are satisfied and double checked, hit the SUBMIT button in the top right
  - Last step is to confirm by clicking the OK button
    - You should now see a Pending Approval button that is not clickable. If you do not see this, the increase has not been submitted for review



1 Bedroom	3	564	0	140	$704 (+$25)	31%	50% ($1,119)	Update
1 Bedroom	2	820	0	140	$960 (+$25)	42%	50% ($1,119)	Update
1 Bedroom	6	895	0	140	$1,035	46%	50% ($1,119)	Update
1 Bedroom	1	820	0	140	$960 (+$25)	42%	50% ($1,119)	Update

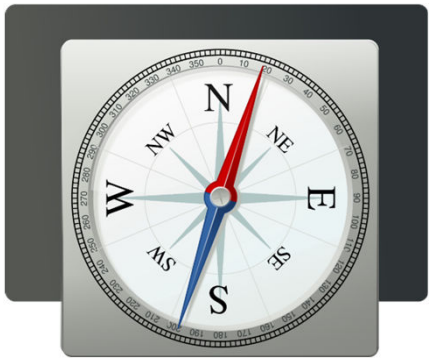
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Need additional help with your Rent Increase Request?

Krista Zimmer
klzimmer@nchfa.com
Ph: (919)-480-8947



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Reserve Request

There are two types of reserve accounts required:

- ✓Replacement Reserves
- ✓Operating Reserves

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

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Replacement Reserves



Operating Reserves

Failure to get approval before withdrawals…

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



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Rent-up Reserves

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



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Replacement Reserves

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

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CAPITAL IMPROVEMENTS

Replacement Requirements





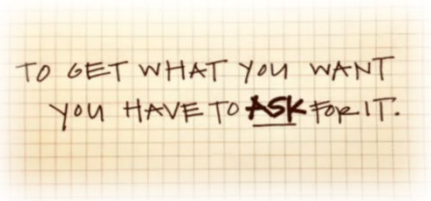
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- Typically NCHFA require $250 per unit per year for new construction and $350 (PUPY) for rehabs, with deposits escalating by 4% per year
- This is not enough to fund long term needs of the property
- Routine replacement items (such as carpet/flooring)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

Replacement Reserves Typically Approved

- Appliance Replacement
- Bathtub/Shower Replacement
- Roof Replacement
- Whole Building Gutter/Downspout Replacement
- HVAC Replacement
- Repaving/Resurfacing/Sealcoating Parking Lot or Sidewalk
- Range Queen/Fire Extinguisher Replacement (Entire property)
- Door, Sink, Faucet, Toilet, Window Replacements (only if replacing at least 10-15% of the property)
- Extensive Plumbing/Sanitary System Repairs
- Repainting Exterior of Building
- Water Heater Replacement
- Flooring Replacement

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Replacement Reserves Typically Not Approved







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





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Operating Reserve Request

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

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



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

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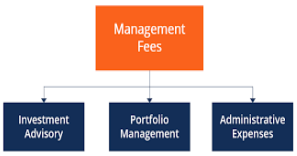
Submission Reminders
Operating Reserves

End of Month	Payment	Interest Expense	Principle Paid	Balance
				200,000.00
1	1,264.14	1,083.33	180.80	199,819.20
2	1,264.14	1,082.35	181.78	199,637.42
3	1,264.14	1,081.37	182.77	199,454.65
4	1,264.14	1,080.38	183.76	199,270.89
5	1,264.14	1,079.38	184.75	199,086.14
6	1,264.14	1,078.38	185.75	198,900.39
7	1,264.14	1,077.38	186.76	198,713.63
8	1,264.14	1,076.37	187.77	198,525.86
9	1,264.14	1,075.35	188.79	198,337.07
10	1,264.14	1,074.33	189.81	198,147.26
11	1,264.14	1,073.30	190.84	197,956.42
12	1,264.14	1,072.26	191.87	197,764.55



- Property must be running at a deficit to be eligible
- Replacement Reserve items are NOT eligible
- Mortgage payments, monthly reserve payments, management fees are not eligible and will be taken out of the calculation to determine deficit
- Common Requests include:
  - Annual Taxes, Insurance Deductibles, Unforeseen Expenses

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Common Reasons
Reserve Requests are Returned





- Attempting to submit/open more than one request at a time
- Requesting reimbursement for non-eligible items
- There is no summary page for large request showing the breakdown of the request submitted
- Unit or building numbers not included either on the invoice or on the cover sheet
- The attachments included are incorrect (wrong property, documents, not legible, etc.
- Bank Statement does not match Trial Balance. (If more than 1 account, need current bank statements for all accounts
- Invoices are more than 12 months old
- Accounts are underfunded

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Things to Remember for Replacement Reserves

- If submitting for a prior approval, you MUST include 2-3 comparable bids
- If submitting for reimbursement, you MUST include the actual invoice (not a quote)
- Invoices over 12 months will not be accepted
- Include the most recent trial balance and bank statement for the reserve accounts
- It takes up to 30-days for NCHFA staff to review/approve all reserve requests
- Replacement NOT Repairs (repairs are not eligible)
- Preference is to enter one per quarter or semi-annually
- Please have a cover sheet listing all items included – Don't forget unit numbers and/or building numbers

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Tips to getting the Reserve Request processed quickly



- Only request items that are eligible
- Check what has been scanned and uploaded. Is it legible? Is it correct?
- Is there a cover sheet that includes the Vendor, date of invoice, invoice number, items, unit/building number and amount requested?
- Is the invoice less than 12 months old?
- Do not include items not needed. Ex. Copies of checks are not needed. Copies or pages of bank statements are not needed in the invoice upload

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Having a well submitted request will make the process smoother and in the end, a quicker return to you!

Reserve Requests

Property List → APN → Property Menu → Reserve Requests

- Instructions to enter are located on the Agency website
  - Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Reserve Request Process
- Who needs to seek Agency approval prior to withdrawing money:
  - All properties with active Agency loan
- Note: Just because another entity approves the request, does not mean the Agency will

Instructions include helpful tips to ensure submissions meet all required criteria

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Reserve Requests

Property List → APN → Property Menu → Reserve Request

- List shows all submitted/approved/denied/cancelled requests
- List can be sorted by each column
- Click the magnifying glass on the left side to open a specific request
- To submit a new request
  - Click the Add Reserve Request button
    - If this button is not available, it is very likely there is already one open (more than one cannot be open at a time)
  - Enter the amount, reserve type and comments. Click the Save button once completed
    - You cannot add documents until you finish this step completely
  - To add documents, click each Upload button, attached document and click OK
  - After all three documents are added click OK
  - Once you are satisfied and double checked, hit the SUBMIT button in the top right
  - Last step is to confirm by clicking the OK button

	$5,000	Replacement	Pending		$0	Please see attached invoice for HVAC replacement.
04/22/2025	$16,447	Replacement	Submitted		$0	For the replacement of 3 HVAC units
09/11/2023	$5,808	Replacement	Approved	10/04/2023	$5,808	For the replacement of 1 HVAC

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Need additional help with your Reserve Request?

Krista Zimmer
klzimmer@nchfa.com
Ph: (919)480-8947



AI Assisted Image



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Navigating NCHFA Compliance & Beyond

Audited Financials – Reminders

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

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Remember The Due Dates!

Audited Financials - Requirements



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

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Instructions – Audit Data Entry

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

https://www.nchfa.com/sites/default/files/page_attachments/DataEntryAudits.pdf



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Instructions for Data Entry of Audits

1) Log into RCRS
2) Click on "Financial Data"
3) Search for property
4) Verify that the year noted under "Cycle" is the same year ending date of the audit you are entering
5) Scroll to the far right - Click "Start" to begin entering Financial Data from the audit.

**If you are returning to the property to edit data, the option will be "Update". To submit your changes, you will need to again upload your Financial Data Documentation in order to get the submit button.

Common Reasons your financials are returned

- When completing the data entry, using numbers from some other source that do not match the audit
- Submitting balance sheets and other printouts in place of the audit
- Late Submissions
- Submitted the audit but did not complete the data entry section in RCRS
- Not including Asset Management Fees, Investor fees, etc. in the data entry because they haven't been paid out. Any fees listed on the audit that are charged to that year must be included even if the fee is accrued

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Need additional help with the financial audits?

Lisa Hernandez

lahernandez@nchfa.com

Ph: (919) 578-3472

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communication matters

Insurance Requirements

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

North Carolina Housing Finance Agency, ISOA, ATIMA
3508 Bush Street, Raleigh NC 27609

No longer standard practice for insurance companies to include the Loss Payee or Additional Insured on the insurance proceeds checks

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We expect to get notified of claims

NEW Policy: Report insurance claims by email insuranceclaims@nchfa.com

Down/Offline Units



A down/offline unit is described as a unit where damages include, but are not limited to: weather related, accidental or intentional damage, system failure, etc.

- The following documentation is required to be included with the incident:
  - Description of event, including the time and date
  - Buildings(s) and unit numbers(s) effected
  - Individuals involved, including name and contact information
  - Any third-party reports (i.e. police, fire, insurance)

All down units, whether reported to insurance or not, must be reported to NCHFA at insuranceclaims@nchfa.com. In the email, indicate that you will not be reporting it to insurance.

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Insurance Reminders

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

Insurance Requirements are available on the Agency website



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Rental Production Program (RPP) Document Approval

NCHFA Lease Approval

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

Tenant Selection Plan (TSP)

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

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Changes or Updating? Re-Submission is Required

Rental Production Program (RPP) Document Approval

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

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

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

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
Compass Pointe Apartments 123 Waterway Blvd. Beach County Sunset Beach, NC 27753	57-41236825	250

1d. Census Tract	1e. Housing/Expanded Housing Market Area
321-5	Housing Market Area: Sunset Beach Expanded Housing Market Area: Beach County

Affirmative Housing Marketing Plan (AFHMP)

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

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Changes or Updating? Re-Submission is Required

Rental Production Program (RPP) Document Approval

A Community Housing Development Organization (CHDO) is a private, non-profit, community-based organization with staff capacity to develop affordable housing for the community it serves. Certified under HUD guidelines, CHDOs must receive at least 15% of a participating jurisdiction's HOME Investment Partnerships Program funds to own, develop, or sponsor affordable housing.

CHDO
Certified Housing Development Organization

Tenant Participation Plan

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

Grievance Procedures

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

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Changes or Updating? Re-Submission is Required



What is the HOME Program?

The HOME Investment Partnership Program (HOME Program) is a major federal grant from HUD to states and localities to fund affordable housing for low-income people

Key Aspects:

- Funding Source: HUD
- Recipients: states and local governments (PJs)
- How Funds are used:
  - Rental Housing: Building, buying, or renovating
  - Homeownership: helping families buy or build their first homes
  - Tenant-Based Rental Assistance (TBRA): portable vouchers

the HOME program

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NCHFA – HOME Policy 1.0

- HUD published the HOME Final Rule on January 6, 2025
  - Most provisions became effective April 20, 2025
    - PJs must come into compliance with the Final Rule by April 20, 2026
  - Provisions related to tenant protections and green building incentives have been delayed to April 30, 2026

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

- NCHFA released our HOME Policy 1.0 effective January 1, 2026
  - Effective for ALL HOME properties
  - Updated to Lease Addenda will come at a later date

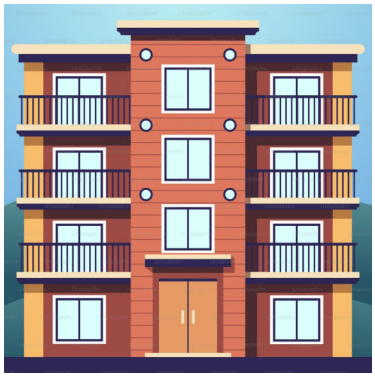
HOME units are required to FLOAT

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

Low HOME Income Requirements

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



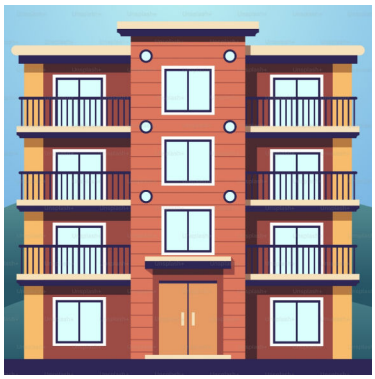
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In a 100 unit complex, that is 100% HOME, how many units are considered low HOME?

20

High HOME Income Requirements

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



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

HOME Income Limits

- HOME income limits are NOT held harmless and may decrease each year
- HOME income limits typically match Section 8 income limits
  - However, you must wait until they are released by the CPD for implementation
- Do not use the 30% and 60% income limits from the HOME chart for the tax credit limits (these are for informational purposes only)

U.S. DEPARTMENT OF HUD
STATE:NORTH CAROLINA

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
	FY2025 ADJUSTED HOME INCOME LIMITS							
Wilmington, NC HUD Metro FMR Area								
30% LIMITS	22750	26000	29250	32500	35100	37700	40300	42900
VERY LOW INCOME	37950	43350	48750	54150	58500	62850	67150	71500
60% LIMITS	45540	52020	58500	64980	70200	75420	80580	85800
LOW INCOME	60700	69350	78000	86650	93600	100550	107450	114400

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Income Limits Published
https://www.hudexchange.info/programs/home/home-income-limits/



HOME Rent Reminders

Low HOME Rent Requirements

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

High HOME Requirements

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

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



Rents MUST be approved by the Agency when HOME funds are administered from NCHFA.



HOME Rent Limits

- HOME rent limits are NOT held harmless and may decrease each year
- Decreases in Fair Market Rents (FMR), as well as decreases in the Very Low Income (VLI) limit, will affect HOME rent limits
- Only use Low HOME and High HOME Limits
  - Other limits are listed for “information only”. They will indicate whether the Low or High HOME rents are limited by FMR

U.S. DEPARTMENT OF HUD
STATE:NORTH CAROLINA

FY2025 HOME PROGRAM RENTS

PROGRAM	SRO(75%)	SRO/EFF	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Greensboro-High Point, NC HUD Metro FMR Area								
LOW HOME RENT LIMIT	NA	750	803	963	1113	1241	1370	1498
HIGH HOME RENT LIMIT	749	955	1024	1150	1414	1558	1700	1842
For Information Only:								
FAIR MARKET RENT	749	999	1039	1150	1463	1646	1893	2140
50% RENT LIMIT	NA	750	803	963	1113	1241	1370	1498
65% RENT LIMIT	NA	955	1024	1231	1414	1558	1700	1842

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Rent Limits Published
https://www.hudexchange.info/programs/home/home-income-limits/

HOME Rent Limits

How to calculate if rent is below the maximum HOME rent limit



Resident Paid Rent



~~Rental~~ Assistance



Resident Paid Utilities



Mandatory Fees

= GROSS RENT

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New Final Rule
Rental Assistance is no longer counted towards gross rent calculation (effective 1.1.2026)



Student Rules

Assistance shall not be provided to any individual who is enrolled as a student (full-time or part-time), unless they meet one of the following criteria:

- Is 24 years-old or older,
- A veteran of the US military,
- Is married,
- Has a dependent child living with the student),
- Is disabled and was receiving Section 8 as of 11/30/2005, or
- Is individually eligible (independent) or is a member of a family who is eligible for assistance





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HOME Utility Allowances

- Utility allowance changes must be approved by NCHFA
- If the UA increases, it can cause the HOME rent limits to be exceeded, rent will likely have to be decreased
- PHA UA must be used for LIHTC households with Section 8 vouchers
  - Although the PHA UA is used on the TIC, the Agency will use the property's approved UA to determine HOME compliance
- Final Rule: Allows for HOME to use the PHA UA
- Cable and broadband cannot be used in the UA calculation





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HOME Income Determinations

- Allows income determinations by other rental subsidy programs (including LIHTC)
  - If HOME unit is also layered with LIHTC, income determination from the LIHTC program is acceptable (no longer required to get 2 months source documentation)

- Allows income documentation from other governmental public assistance (including LIHTC) at move in and recertification
  - 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
    - **NOTE: safe harbor is not applicable to Target/Key Assistance**

Note: Properties that are HOME only (no other funding) and verifying income, 2 months source documentation is still required



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: _____

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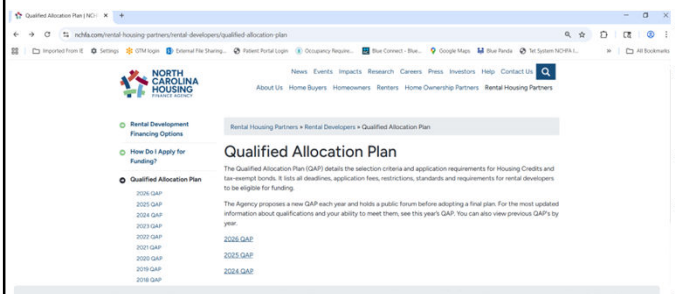
What Role Does NCHFA Play?



- Administer Federal & State Housing Programs
- Allocates Tax Credits
- Partners in Affordable Housing
- Provide technical assistance for compliance programs
- Reports to the IRS

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Navigating NCHFA Compliance & Beyond

LIHC Program – State



2026 Qualified Allocation Plan (QAP)

Final 2026 QAP

Draft 2026 QAP Showing Changes from 2025

Notice of Real Property Acquisition

Notice of Real Property Ground Lease

Appendix A
(Market Study)

Final Appendix B
(Design Quality)

Qualified Allocation Plan (QAP)

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

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

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

Supportive Services Requirements (if applicable)

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

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

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Targeting Program & Key Rental Assistance

Targeting Program:

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

Key Rental Assistance:

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

Property Management responsible for:

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

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Targeting & Key Assistance Training registration available on our website!

2027 Key Payment Standard Update

UPDATE

Effective January 1, 2027, we are increasing Key payment standards. Some counties are also being assigned to new Payment Tiers for 2027. The worksheets are available on the Agency Website.

Please be aware of the following:

- NEW PAYMENT STANDARDS
- NEW PAYMENT TIERS
- UPDATED WORKSHEETS
- AVAILABLE ON OUR WEBSITE

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- The system will automatically pick up the new payment amount for **January 1, 2027** when management submits the request on or after **December 1, 2026.** Management will not need to enter Updates or make changes in RCRS for this to occur.
- For move-ins **before January 1, 2027,** management should be using the existing Key calculation worksheet.
- For move-ins **on or after January 1, 2027,** management should be using the new worksheet based on the Tier assigned to the property.
- For recerts or update events **NOT** submitted to NCHFA but signed **on or after December 1, 2026,** management should use the new calculation worksheets available on our website.
- For any recert or update effective **3/1/2027 or later,** there should be no exceptions to using the updated forms because the new calculation forms have been published.
- Counties changing from **Tier 1** to **Tier 2** include Davie, Forsyth, Polk, Stokes and Yadkin. Counties changing from **Tier 2** to **Tier 3** include Buncombe, Camden, Carteret, Dare, Henderson, Iredell, Lincoln, Madison and Pender. Counties changing from **Tier 3** to **Tier 4** include Chatham, Durham and Orange.



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Updating RCRS Contacts Requirements

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

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If additional assistance is needed email compliancehelp@nchfa.com

Submitting Documents



Upload In RCRS Only



Do Not

- Email to Staff
- Use Drop Box



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RCRS Resources Available

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News Events Impacts Research Careers Press Investors Help Contact Us

About Us Home Buyers Homeowners Renters Home Ownership Partners Rental Housing Partners

- Compliance Manual/Training Resources
- Ownership/Management
- Resident Files

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

Compliance Manual & Training Resources

Compliance Manual

Targeting Program & Key Rental Assistance Training (10/14/2025)
Compliance 101 Training Book (10/29/2025)
Advanced Compliance Training (10/30/2025)
SHDP Training Book (5/21/2025)
RCRS Overview Presentation

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Navigating NCHFA Compliance & Beyond

The Role of the IRS in Affordable Housing



Performs 3 Major functions

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

- Establishes LIHC program requirements & provides program reference materials
- Regulates & enforces the requirements for LIHC Program Section 42
- Enforcement involves recapture of credits due to program noncompliance

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Low Income Housing Credit (LIHC) Program

Types of Tax Credit Developments:

- New Construction
- Substantial rehabilitation of existing units
- Acquisition and Rehabilitation

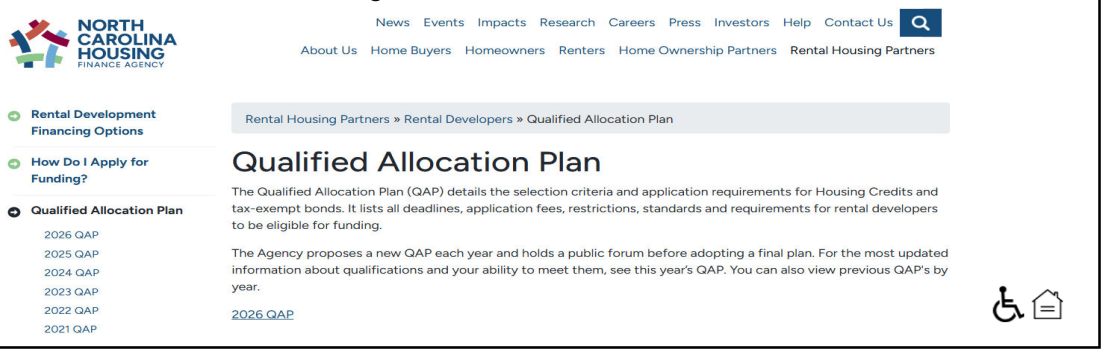
Note:

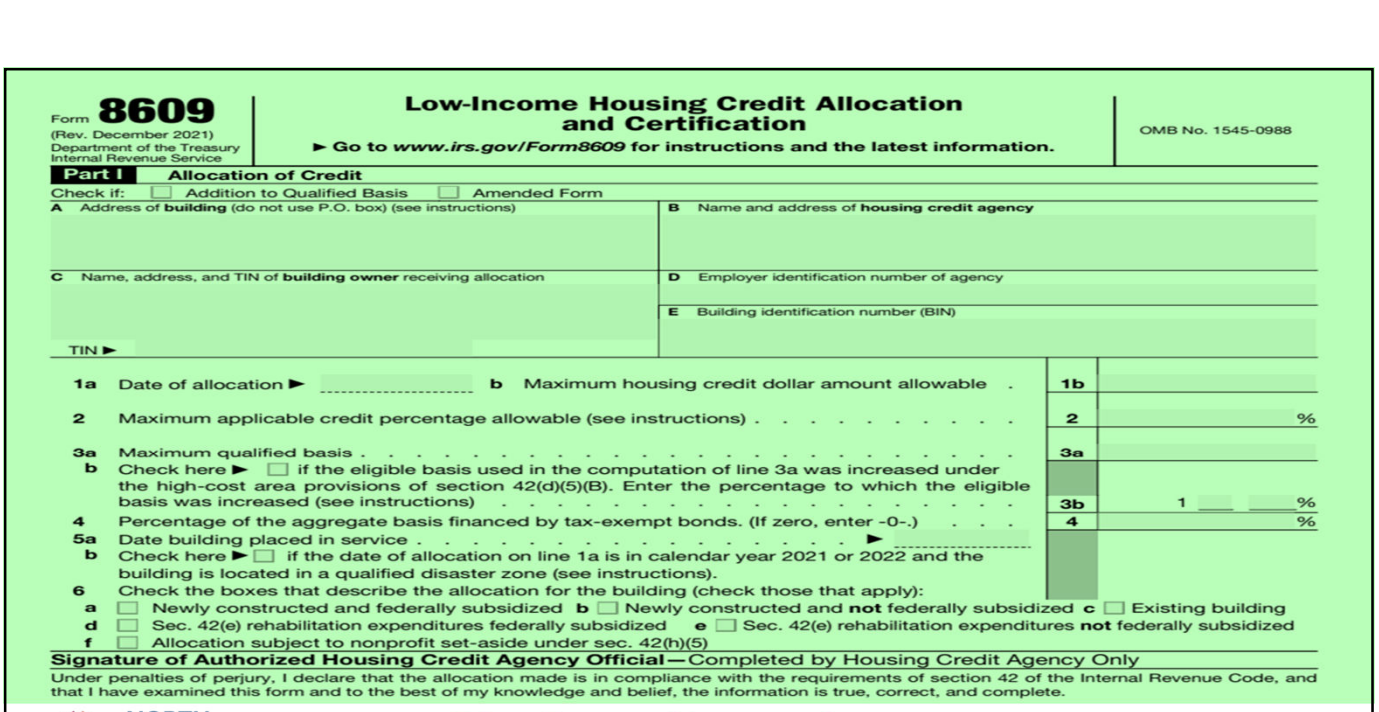
- ✓ NCHFA requires a set dollar amount/unit of rehabilitation costs that can be found in the QAP
- ✓ Credits are allocated based on competitive application process
- ✓ States are required to allocate at least 10% of the annual credits to projects sponsored by non-profit organizations



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Form **8609** (Rev. December 2021)
Department of the Treasury
Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

► Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)

B Name and address of **housing credit agency**

C Name, address, and TIN of **building owner** receiving allocation

TIN ►

D Employer identification number of agency

E Building identification number (BIN)

1a	Date of allocation ► b Maximum housing credit dollar amount allowable	1b	
2	Maximum applicable credit percentage allowable (see instructions)	2	%
3a	Maximum qualified basis	3a	
b	Check here ► ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 ___ ___ %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	%
5a	Date building placed in service ►		
b	Check here ► ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized b ☐ Newly constructed and **not** federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized
f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

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Purpose of the IRS Form 8609

Form 8609 is issued by the Housing Finance Agency (HFA)

- It officially allocates Low-Income Housing Tax Credits to a building
- Required to claim LIHTCs on the owner's tax return
- Key Point: No valid 8609 = no tax credits claimed



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Navigating NCHFA Compliance & Beyond

What NCHFA Needs to Issue IRS Form 8609

Here are the *some* comment documents we ask for:

- Certificate of Legal Existence
- Investor Certification Letter
- Operating Agreement
- Promissory Note / Commitment Letters (dated within 6 months)
- List of Contractors and Subcontractors
- Contractor Statements of Compliance (for all listed)
- Current Utility Allowance Documentation
- Current Tax Bills & Insurance Bills
- Energy Star Certifications
- Public Housing Authority (PHA) Letter
- **Compliance Training Certifications (Owner and Management)**

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Structure of the Form 8609

Form 8609 has two main parts:

Part 1 – Completed by the HFA – Includes:

- Building identification
- BIN (Building Identification Number)
- Credit allocation amount
- Placed-in-service date
- Credit percentage (9% or 4%)

Owners should verify Part I for accuracy immediately upon receipt from the HFA

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Structure of Form 8609 (Cont.)

Part II – Completed by the Owner

- This is the most critical compliance section
- Key elections include:
- Line 8b: Multiple Building Project election
- Line 10a: Minimum Set-Aside election
- Line 10b: Deep rent-skey election (if applicable)
- Line 10c: Income averaging (if applicable)
- Line 11: Applicable fraction method
- Line 12: First year credit proration

Elections are irrevocable

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Form 8609

Multiple Building Project Election (Line 8b)



Line 8b - a checked "No" box on line 8b, will result in each building being considered a separate project under section 42(g)(3)(D)

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

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Form 8609

Minimum Set-Aside Elections (Line 10a)



Owners must choose one:

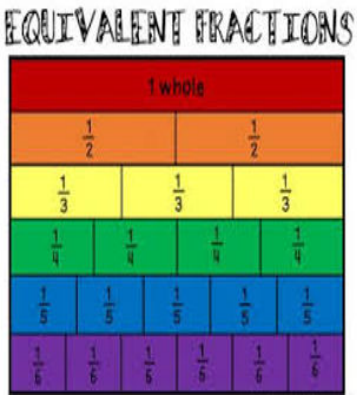
- 20/50 Test – 20% of units ≤ 50% AMI
- 40/60 Test – (most common)
- 40% of units ≤ 60% AMI
- Average Income Test (AIT) – Average of designated units ≤ 60% AMI; Individual units can be up to 80% AMI

Failure to meet the minimum set-aside = loss of ALL credits

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Form 8609
Applicable Fraction (Line 11)



Applicable fraction determines amount of credit that can be claimed

Calculated as the lessor of:

- Unit fraction (LIHTC units / total units), or
- Floor space fraction (LIHTC square footage / total square footage)

This fraction directly impacts:

- Annual credit amount
- Ongoing compliance monitoring

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Form 8609
First-Year Credit Rule (Line 12)



Credits are prorated in the first year

Based on:

- When units became qualified
- Average applicable fraction during the year
- Common methods:
- Monthly averaging
- Year-end occupancy

Errors here can lead to IRS recapture

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Form 8609
Filing and Record Retention



Owner files Form 8609 with Form 8586 (Low-Income Housing Credit) Federal tax return

Must retain:
- Original 8609
- Election Documentation
- Compliance records

Retention period:
- At least six (6) years after the due date
- Extended if noncompliance focus

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Compliance ties to Form 8609



Form 8609 drives:
- Unit designations
- Rent limits
- Income limits
- Extended Use Agreement enforcement

Noncompliance reported on IRS Form 8823

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Form 8609
Common Errors to Avoid

- Missing filing deadlines
- Incorrect minimum set-aside election
- Mismatch between 8609 elections and regulatory agreement
- Incorrect applicable fraction
- Poor record retention



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Form 8609
Best Practices



- Review 8609 immediately upon receipt
- Involve the tax credit syndicator and CPA
- Align property operations with elections
- Train onsite staff on unit designations
- Conduct annual internal compliance reviews

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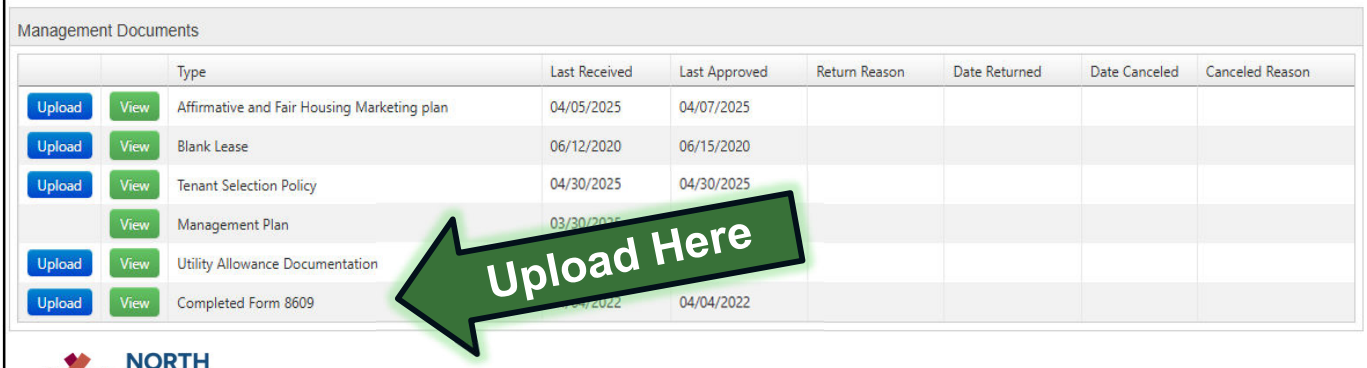
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IRS Form 8609

Uploading in RCRS – Required

After Part II is completed, signed, dated by the owner, the completed 8609(s) are required to be uploaded in RCRS to avoid noncompliance

RCRS Management Company Process Suggestions



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LIHC Program

Credit Period/IRS Compliance Period

Credit Period

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

IRS Compliance Period

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

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LIHC Program
Extended Use Period

Extended Use Period:

- Additional 15-year extended use period (after the Compliance Period)
- Property must comply with the Deed Restrictions
- State enforcement; no recapture
- Early termination of minimum 30-year period only if:
- Foreclosure
- Qualified Contract Process

Extended Use Period Compliance Policy:

- Must fully document eligibility at move-in and first annual recert; no additional recerts are required
- Must continue to report activity in RCRS
- Student Rules no longer apply
- Compliance reviewed project-wide, not building-by-building
- Smaller sample size (10%) when monitored

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Recertification by Funding/Program

Funding Sources	Full AR at 1st Anniversary	Annual Update of Household Comp.	Annual Update of Student Status	Annual Update of Rent Being Charged	Full AR Every Year
FTC (no AI) with STC, WHLP Year 1 – 15					
• 100% TC	✓	✓	✓	✓	
• Mixed Income					✓
Year 16-30 (Extended Use					
• 100% TC	✓	✓		✓	
• Mixed Income	✓	✓		✓	
Funding Sources/Program Type					
• FTC with AI					✓
• RPP/other Agency Loans					✓

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LIHC Program Reminders



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

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Vacant Unit Rule

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



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140% Rule



Rule

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

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

Recertification income limit is 140% of the current tax credit limit

- If the household's income exceeds 140% at recertification, the unit is re-designated as Over Income (OI) and the next available unit rule must be followed

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Next Available Unit Rule (NAU)

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

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

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

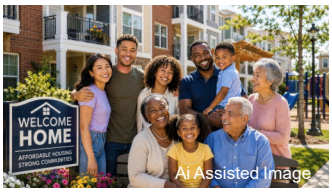
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All unit designations and set-asides are required to float, regardless of funding source or unit type

- HOME/NHTF units are explicitly required to float per loan documents
- Under Average Income, the set-aside requirement is stated, but floating applies to all properties, including 40/60 and properties with additional 50% AMI units
- A household cannot be forced to move units solely due to an income increase. Owners must float the designation rather than relocate the resident
- ***This is an IRS Section 42 requirement***





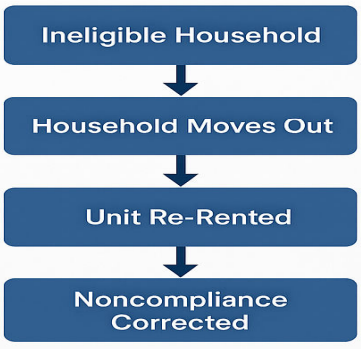
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Floating Unit Set-Asides

Affordable Housing Noncompliance Correction

Under TC requirements, noncompliance for file review issues (such as an over-income household) is not considered corrected until the unit is occupied by an eligible household.

Therefore, if a household is determined to be ineligible and they move out on 9/2/2026, and the unit doesn't get re-rented until 10/15/2026, the noncompliance is considered corrected on 10/15/2026 and not before that date.



Ai Assisted Image

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Over-Income Example

The Next Available Unit (NAU) Rule

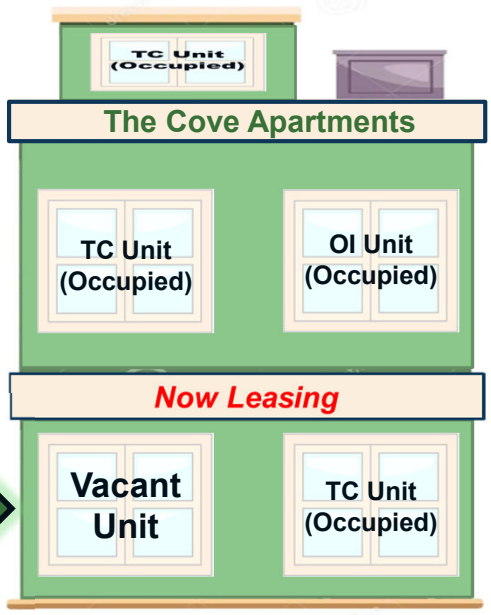
100% Tax Credit Property

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



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Must be rented to a Qualified LI Household



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

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

NAU and Deeper Targeting

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

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NAU & Deeper Targeting Example

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

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

Annual Recertification
$18,500

What is the income set-aside at recertification?

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

$ 14,640
x 140%
$20,496

$18,500 < $20,496

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

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Employee Units

Low Income Eligible:

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

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

Not Low Income Eligible:

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

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

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

Student Rules

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



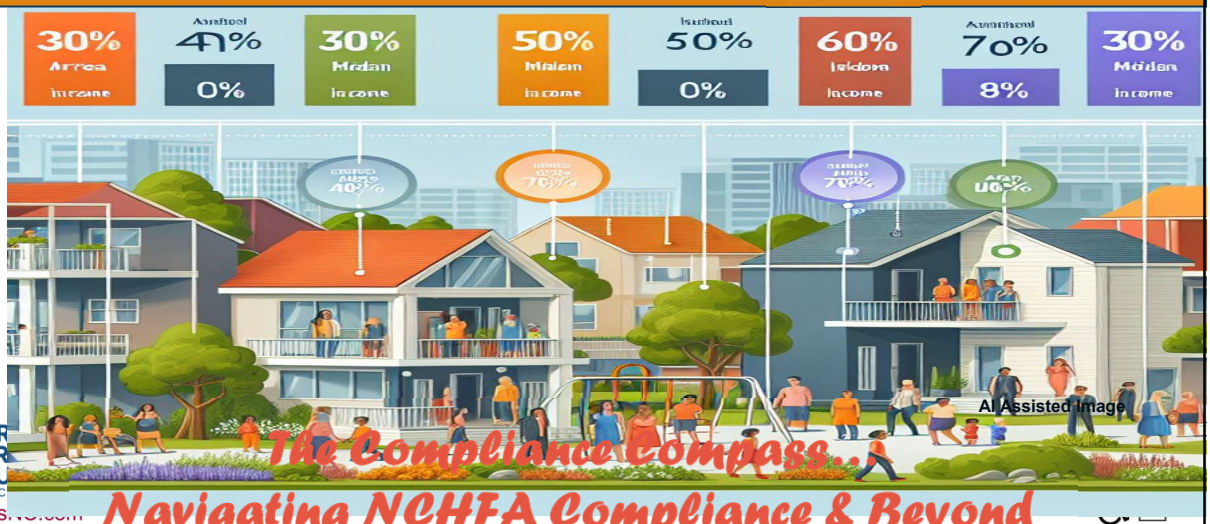
Exceptions are covered in Compliance 101

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Income Averaging

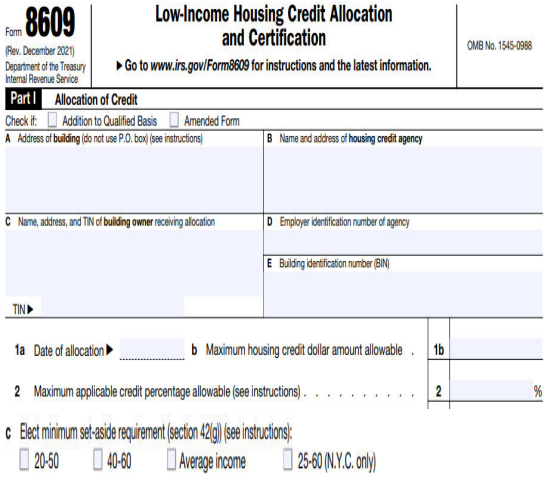
- Updates
- NCHFA Policy
- Requirements
- Results Letter Examples
- Training Resources



AI Assisted Image

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What is Income Averaging



Form **8609** (Rev. December 2021)
Department of the Treasury
Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)

B Name and address of **housing credit agency**

C Name, address, and TIN of **building owner** receiving allocation

D Employer identification number of agency

E Building identification number (BIN)

TIN ▶

1a Date of allocation ▶ b Maximum housing credit dollar amount allowable . 1b

2 Maximum applicable credit percentage allowable (see instructions) . . . . . 2 %

c Elect minimum set-aside requirement (section 42(g)) (see instructions):

☐ 20-50 ☐ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

- LIHTC option allowing units to serve households earning up to 80% AMI
- Property must maintain a average of 60% AMI or less across designated units
- Available for developments electing income averaging on IRS Form 8609

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Income Averaging Benefits



- **Greater flexibility in unit mix**
- **Supports mixed-income communities**
- **Helps reach households slightly above traditional 60% AMI units**

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Income Averaging
Update Released 10/12/2022

the **Federal Register** or by posting an advisory to follow at *www.cbp.gov*. The restrictions will remain in effect until superseded, modified, or revoked by publication in the **Federal Register**.

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

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

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

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9967]

RIN 1545–BO92

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

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

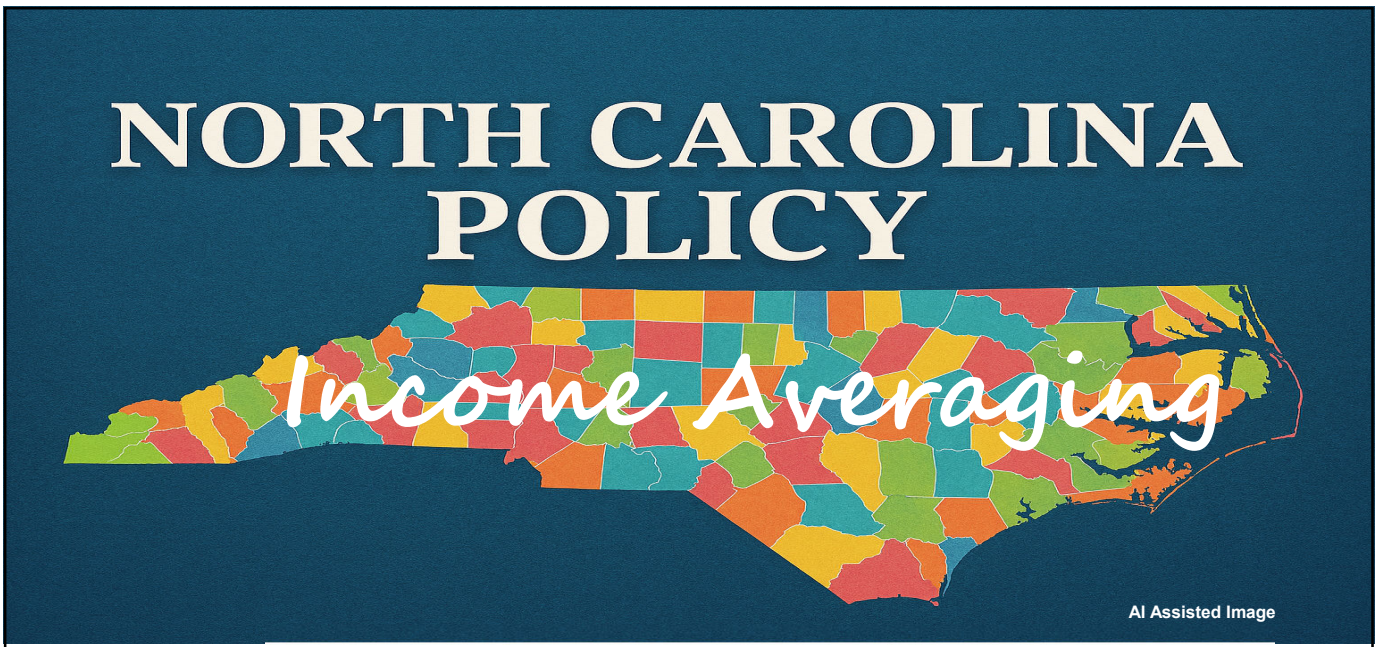
Section 42(a) provides that the amount of the low-income housing credit for any taxable year in the credit period is an amount equal to the applicable percentage (effectively, a credit rate) of the qualified basis of each qualified low-income building.

Section 42(c)(1)(A) provides that the qualified basis of any qualified low-income building for any taxable year is an amount equal to (i) the applicable fraction (determined as of the close of the taxable year) of (ii) the eligible basis of the building (determined under section 42(d)). Section 42(c)(1)(B) defines applicable fraction as the smaller of the unit fraction or floor space fraction. The unit fraction is the number of low-income units in the building over the number of residential rental units (whether or not occupied) in the building. The floor space fraction is the total floor space of low-income units in the building over the total floor space of residential rental units (whether or not occupied) in the building. Subject to certain exceptions set forth in section 42(i)(3)(B), a low-income unit is defined in section 42(i)(3) as any unit in a building if the unit is rent-restricted and the individuals occupying the unit meet the income limitation under section 42(g)(1) that applies to the project of which the minimum set-aside test option—the average income test. If a taxpayer elects to apply the average income test, a project meets the minimum requirements of the average income test if 40 percent or more of the residential units in the project are both rent-restricted and occupied by tenants whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the specific unit. (In the case of a project described in section 142(d)(6)), "40 percent" in the preceding sentence is replaced with 25 percent.) Section 42(g)(1)(C)(ii)(I)–(III) provides special rules relating to the income limitation for the average income test. Specifically, unlike the 20–50 and 40–60 tests, section 42(g)(1)(C)(ii)(I) requires the taxpayer to designate each unit's imputed income limitation that is taken into account for purposes of the average income test. Section 42(g)(1)(C)(ii)(II) requires the average of the imputed income limitations designated under section 42(g)(1)(C)(ii)(I) not to exceed 60 percent of AMGI. Finally, section 42(g)(1)(C)(ii)(III) requires the imputed income limitation designated for any unit to be 20, 30, 40, 50, 60, 70, or 80 percent of AMGI.

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

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NCHFA Income Averaging Policy

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

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NCHFA Compliance Requirements

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



Similar to the NCHFA Policy for HOME and NHTF Requirement

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NCHFA Compliance Requirements

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

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

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NCHFA Compliance Requirements

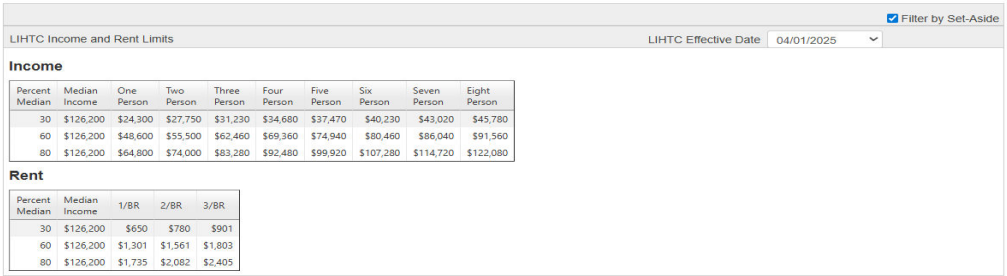
3. Low-income certification review frequency under C(2)(ii) will be increased to annual review to monitor compliance with this set-aside

4. Lower set-asides must follow the Multifamily Tax Subsidy Program (MTSP) income and Rent limits as published by HUD annually

- Any units where income or rent exceeds the limit for the set-aside specified on the low-income certification will be reported to the IRS



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LIHTC Income and Rent Limits — LIHTC Effective Date 04/01/2025 — Filter by Set-Aside

Income

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
30	$126,200	$24,300	$27,750	$31,230	$34,680	$37,470	$40,230	$43,020	$45,780
60	$126,200	$48,600	$55,500	$62,460	$69,360	$74,940	$80,460	$86,040	$91,560
80	$126,200	$64,800	$74,000	$83,280	$92,480	$99,920	$107,280	$114,720	$122,080

Rent

Percent Median	Median Income	1/BR	2/BR	3/BR
30	$126,200	$650	$780	$901
60	$126,200	$1,301	$1,561	$1,803
80	$126,200	$1,735	$2,082	$2,405

Income and Rent Limits – Property specific available in RCRS

NCHFA Compliance Requirements

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

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

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NCHFA Compliance Requirements

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

1. Federally permitted changes: As contained in IRS forms, instructions or guidance published in the Internal Revenue Bulletin

2. Agency-permitted (or Agency-required) changes: As described in written public guidance

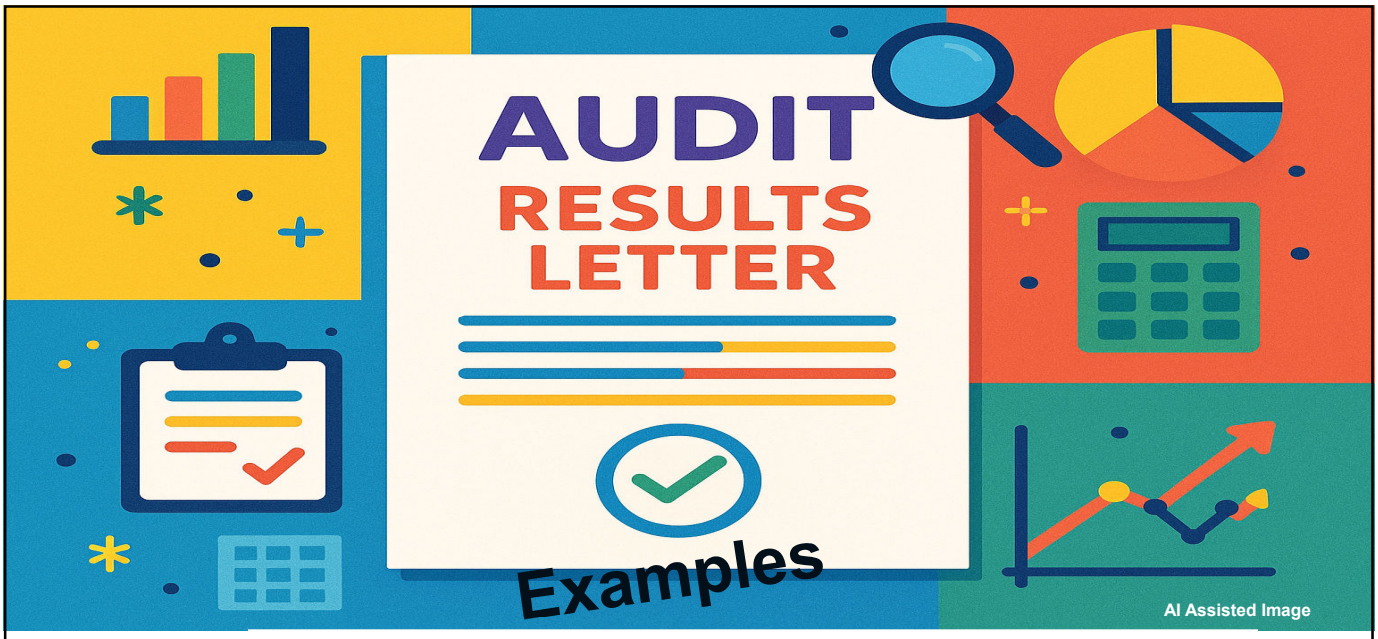
3. Certain laws: As required or appropriate to enhance protections under The Americans with Disabilities Act, The Fair Housing Act, The Violence Against Women Act, The Rehabilitation Act of 1973 or any other state, federal or local law or program that protects tenants

4. Tenant movement: When a current income-qualified tenant transfers to a different unit in the same project, the units “swap” status

5. Restoring compliance with the average income requirements: As needed for purposes of identifying a qualified group of units, either for purposes of satisfying the AIT set-aside or for purposes of identifying the units to be used in computing applicable fraction(s)

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Example of Failure to Meet the Average Set-Aside in the Results Letter

Compass Pointe Apartments
Agency ID: 986423
February 20, 2026

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	01/01/2026	State	Property failed to meet the average set-aside of 60% per each bedroom size as December 31, 2025. The following bedroom sizes exceed the 60% average: (Average Set-Aside = 60.3448%, Description = 1 Bedroom) (Average Set-Aside = 62.096%, Description = 2 Bedroom).	Reduce rents on each unit so that the average set-aside is 60% or less. Provide evidence that rent has been refunded to the appropriate households.	Uncorrected

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Example of Failure to Meet the Income Designation Set-Aside in the Results Letter

Compass Pointe Apartments
Agency ID: 986423
February 20, 2026

Noncompliance Issues:

BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	01/01/2026	IRS	The average of the income designations for all units has resulted in a minimum set-aside violation. Failure to resolve this finding may result in a loss of credits for the entire property.	Provide evidence that the property was never in violation of the IRS requirements for Average Income, or that compliance with the requirements has been reestablished.	Uncorrected

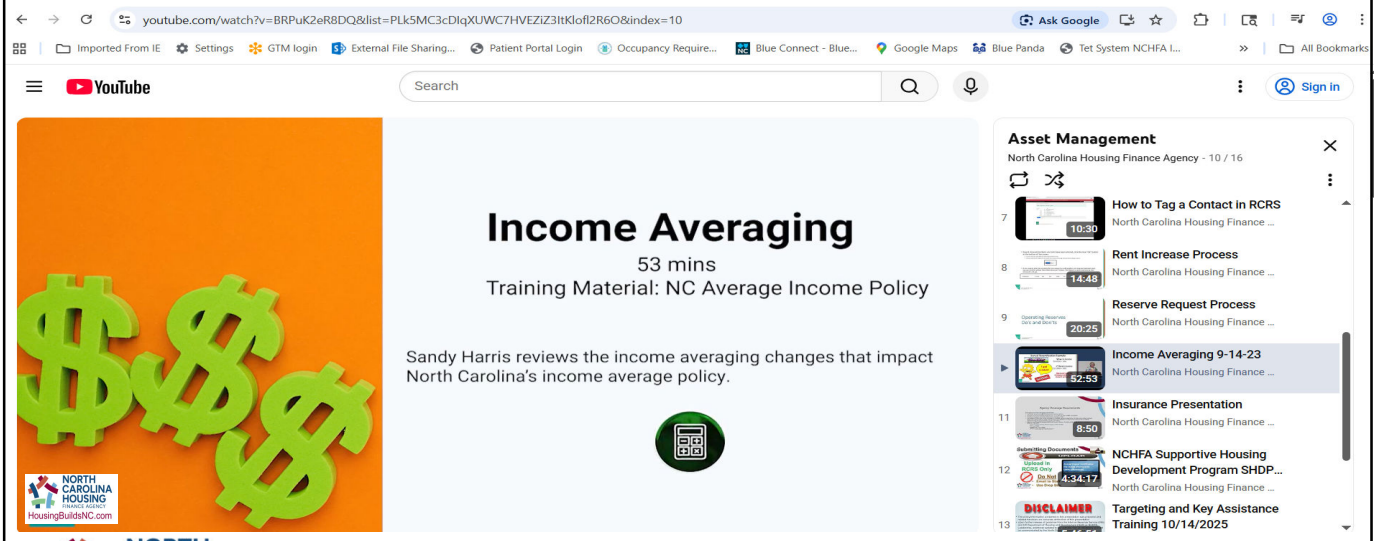
We never expect to see a minimum set-aside violation based on the final guidance from the IRS

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Additional Average Income Training Resource

with examples, how to self-track compliance, etc.



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Now available on the NCHFA Asset Management YouTube Playlist
https://youtu.be/BRPuK2eR8DQ?si=IlRntBtMIRgwiktI

NCHFA Income Averaging Pointers

Reminders



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Income Averaging Best Practices

Best Practices

- **Use a designation tracking spreadsheet or tenant software**
- **Review averages before move-ins or transfers**
- **Train staff on AMI tiers and rent limits**
- **Coordinate closely with compliance and asset management**

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HUD Published Income Limits

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

HUD Released the 2026 Limits May 1, 2026

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

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



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U.S. DEPARTMENT OF HUD
STATE:NORTH CAROLINA

PROGRAM	FY2025 ADJUSTED HOME INCOME LIMITS							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Asheville, NC MSA								
30% LIMITS	19600	22400	25200	27950	30200	32450	34700	36900
VERY LOW INCOME	32600	37250	41900	46550	50300	54000	57750	61450
60% LIMITS	39120	44700	50280	55860	60360	64800	69300	73740
LOW INCOME	52150	59600	67050	74500	80500	86450	92400	98350
Burlington, NC MSA								
30% LIMITS	17850	20400	22950	25500	27550	29600	31650	33700
VERY LOW INCOME	29750	34000	38250	42500	45900	49300	52700	56100
60% LIMITS	35700	40800	45900	51000	55080	59160	63240	67320
LOW INCOME	47600	54400	61200	68000	73450	78900	84350	89800
Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area								
30% LIMITS	23600	26950	30300	33650	36350	39050	41750	44450
VERY LOW INCOME	39300	44900	50500	56100	60600	65100	69600	74100
60% LIMITS	47160	53880	60600	67320	72720	78120	83520	88920
LOW INCOME	62850	71800	80800	89750	96950	104150	111300	118500

MTSP & HERA Special Income Limits





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

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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



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

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NATIONAL HOUSING TRUST FUND

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

Income Limits (cont.)

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)

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Income Limits

- **2026 Income and Rent Limits for MTSP effective on 4/1/2026 are now displaying in RCRS.** (aka Tax Credit limits)
- **2026 Section 8 Income Limits are also effective on 4/1/2026 and are displayed in RCRS.** Typically, the Section 8 income limits will match the HOME income limits, except for the 30% (ELI) limits. These limits **may not** be used for HOME purposes until released by HUD specifically for the HOME Program
- **The 2026 HOME rent limits are currently displayed in RCRS.** These limits are effective on 6/1/2026
- **The 2026 National Housing Trust Fund (NHTF) income and rent limits are currently displayed in RCRS.** These limits are effective on 6/1/2026

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Reminder:
RCRS does not have the ability to display separate effective dates.



Which Income Limits to Use?

HUD Section 8 Limits

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

HOME rent limits are published separately

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



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Income Limit Reminders

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

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Rent Limits

- 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

- 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

Rent Limits

- 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)

- 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

Which income limit is used for a two person household?

LIHTC Income and Rent Limits

Income

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
40	$59,400	$18,880	$21,560	$[illegible]40	$26,920	$29,080	$31,240	$33,400	$35,560
50	$59,400	$23,600	$26,950	$[illegible]00	$33,650	$36,350	$39,050	$41,750	$44,450
60	$59,400	$28,020	$32,040	$[illegible]60	$40,020	$43,260	$46,440	$49,680	$52,860

Rent

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

Section 8 / Home Limits

Income

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

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With LIHTC and Section 8/HOME

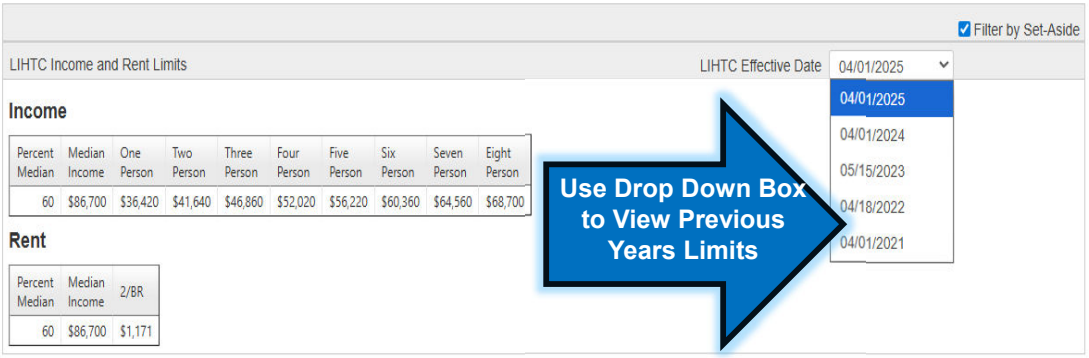


Income limits are available in RCRS

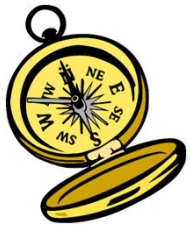
- To make compliance easier, NCHFA publishes property-specific income limits in RCRS once they are released
- If you follow the income and rent limits in RCRS, the property will not have a compliance finding for using the incorrect income limits even if RCRS is wrong
- Please print the income and rent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

Available on the specific Property Page under the "Property Menu"

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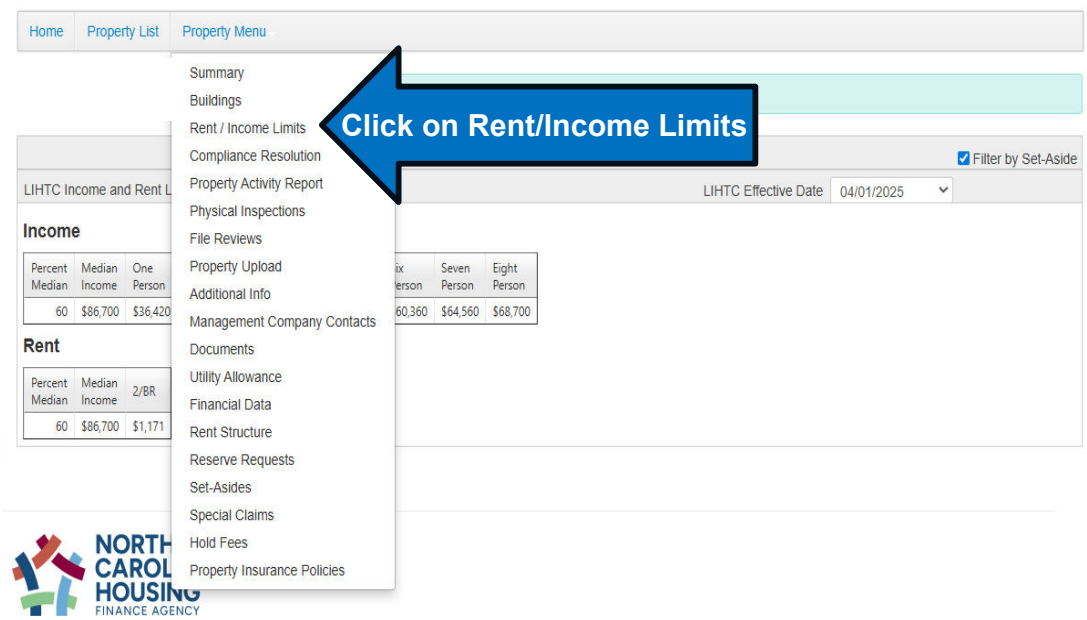
Locating your income limits in RCRS







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Rent, Fees and Utility Allowances







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Reviewing Rent Reminders



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



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Rent Limits



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



Tenant Paid Rent

+ Allowance for utilities paid by tenant
+ Mandatory fees= Gross Rent

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



Rent Limit Reminder

Filter by Set-Aside

LIHTC Income and Rent Limits — LIHTC Effective Date 04/01/2025

Income

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
40	$80,300	$23,640	$27,040	$30,400	$33,760	$36,480	$39,200	$41,880	$44,600
50	$80,300	$29,550	$33,800	$38,000	$42,200	$45,600	$49,000	$52,350	$55,750
60	$80,300	$33,780	$38,580	$43,380	$48,180	$52,080	$55,920	$59,760	$63,600

Rent

Percent Median	Median Income	1/BR	2/BR	3/BR
40	$80,300	$633	$760	$878
50	$80,300	$791	$950	$1,097
60	$80,300	$904	$1,084	$1,253

Available in RCRS - Property Specific

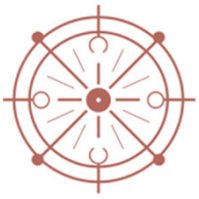
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Rents charged cannot exceed the NCHFA approved (if required) even if rental amount charged complies with the rent increase



Rent Limit Knowledge Check





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

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Knowledge Check
What is the gross rent?

THE JOLLY ROGER



- ✓ 2 bedroom apartment
- ✓ 50% Set-a-Side
- ✓ 3 Member household
- ✓ $800 Tenant Rent
- ✓ $100 Utility Allowance

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Knowledge Check
Is the rent limit being meet?

2 bedroom apartment
50% Set-a-Side
3 member household
$800 Tenant Rent
$100 UA
= $900 Gross Rent
($800 TR + $100 UA)

CopperBeech TOWNHOMES



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LIHTC Income and Rent Limits

Income

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

Rent

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

Fees Charged to Residents



Fees in addition to rent must be:

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



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Required Fees

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

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Rental Payments Reminder

Owners must provide an option to pay rent in a manner that does not involve additional out of pocket costs to the household

- **Providing a drop box at the office**
- **Mailing the rent to the home office, etc.**
- **Providing a free option that makes the processing fee voluntary**

Failure to disclose mandatory fees on the TIC, or exceeding the rent limit, will result in findings of noncompliance

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Your Residents Will Call Us or Submit a Online Complaint

Examples of Fees Allowed/Not Allowed



Allowable Fees:

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



Non-Allowable Fees:

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

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



What is the gross rent?





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



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Is the Rent Limit being met with the added fee?

- ✓ 1 bedroom Apt.
- ✓ 50% Set-a-Side
- ✓ 1 member household
- ✓ $750 Tenant Rent
- ✓ $ 50 Monthly RI
- ✓ $100 UA
- ✓ $900 Gross Rent
  ($750 TR + $50 MRI + 100 UA)

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HTF Limits

Income

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

Rent

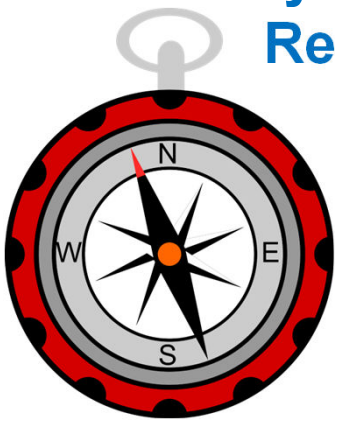
Percent Median	Median Income	1/BR
50	$84,700	$794



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Utility Allowance (UA) Requirements





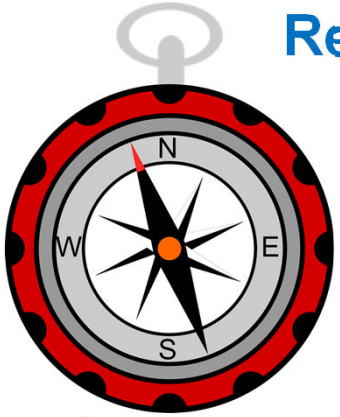


- All projects that participate in Agency-administered rental programs must update their utility allowance at least once annually through RCRS
- Implementation can only occur after the Agency's review and approval
- New properties - you do not have to submit a new utility allowance until after the property has reached a 90% occupancy rate for 6 months or after the first year of placed in service
- With each request, all utility allowance types must be uploaded into RCRS with a cover letter indicating the utility type and effective date
- Costs are incurred solely by the owner



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Utility Allowance (UA) Requirements (cont.)







- The Utility Allowances includes all utilities paid directly by the resident
- Owners/management are allowed to utilize multiple methodologies when calculating UA (except for RD/HUD)
- Allowed to switch methods year-to-year
  - Request can be submitted anytime during the year
  - Processed/approved within 30 days of receipt of information submitted correctly



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Utility Allowances Reminders (cont.)

- Owner cannot bill tenants for utilities based on unit size, number of HH members, or other general allocations where conservation efforts by HH do not reduce the bill
- The owner can separately bill the tenant for utility if units are sub-metered
- We only can make a difference in the "type" of unit (garden vs townhouse), there is not an option for difference is square footage (ex: 790 sq ft 1 bedroom is $60 and a 820 sq foot is $62)
- When using the PHA UA for the entire property, please make sure you are using the correct one It must be effective within 90 days of the PHA making is effective.
  - The management company is responsible for checking up on this. (*There are currently over 70 PHA UAs being used).* **IF** you are not obtaining the most current PHA UA- your tenants may or may not be overpaying their portion of rent.
- Know if the site pays for the water and sewer! If the tenants are paying for w/s and the Utility Studies are not reflecting that, you have to tell the companies that are performing these studies.
- Rent increases will not be approved without current UA (see Typical Loan Requirements Section)

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Utility Allowances Reminders (cont.)

- Failure to maintain an acceptable up-to-date UA may result in management/ownership to not be in good standing with the Agency and noncompliance for the project (reviewed during file audit process)
- For approval dates within RCRS- We use the date of the study and/or the effective date of the PHA. (example a Utility Model Provider dates the study 1/1/2026, must submit within 60 days to the agency for approval), you have until 4/1/2026 to make it effective on your property. You can enter that date in to YOUR rental system, but for RCRS it will be entered as 1/1/2026
- The PHA UA will also be entered the same way and you have 90 days to make it effective at your property.

Reminders:

- If 8609's have not been issued, any updates on Utility Allowances should be submitted to the development side for approval.
- If you receive vouchers from different agencies please indicate the one you use the most, as our system only allows entry for one. (ex: Raleigh Housing and Wake County) The other is noted in our comments
- UA fees are due at the time of submitting the UA in RCRS – payment by ACH only

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The Six Options of Calculating Utility Allowances



1. RD/RHS Must be used if building or residents received assistance from RHS
2. HUD Must be used if building is HUD-regulated
3. Utility Company Estimate $$
4. Agency Estimate (consumption average) $$
5. HUD Utility Schedule Model $$
6. Energy Consumption Model $$

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UA Resources Available

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

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- Compliance Manual/Training Resources
- Ownership/Management

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

Ownership/Management

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

Check Often for Updates

NEW

UTILITY ALLOWANCE

Utility Allowance Policy (updated 1/2026)
Utility Allowance Submission Timelines (updated 1/2026)
Approved Vendors for Utility Allowance Calculations (updated 1/2026)
UA Submission/Payment Instructions (effective 7/1/2026)
Instruction Sheet for Utility Allowance Compliance
Utility Allowance Agency Estimate Spreadsheet

New payment instructions available in the Training Resources of this book!

North Carolina Housing Finance Agency: Utility Allowance Policy
Tips and Guidelines for a Successful Request
Updated January 1, 2026

The gross rent limit published by NCHFA annually is inclusive of a utility allowance for all tenant-paid utilities, including electricity, water, sewer, gas, garbage or any amount paid in addition to rent. Telephone, cable and internet are specifically excluded by statute. Fees charged to the resident for utilities the owner is responsible for paying to the utility company are considered rent, unless the units are sub-metered to account for specific consumption by the household.

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Need Additional help with Utility Allowances?



Tammy Douglas

tgdouglas@nchfa.com

(919) 877-5654





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Acquisitions and Rehabs

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Why do “we” do this?



Your organization purchases a 40-unit apartment community using affordable housing fundings. The property is occupied, and rehab work is scheduled to begin.

Some units will need: Plumbing repairs, New HVAC systems, Accessibility upgrades

Residents are concerned about notice, temporary moves, and rent increases

How would you handle this?

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What is Acquisition & Rehab?



- Buying an existing affordable or market-rate property
- Making improvements to extend its useful life
- Keeping housing affordable for current and future residents

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Adaptive Reuse

Transforms a non-residential building that was previously used for another purpose into housing units. Examples of adaptive re-use are schools and hotels being rehabilitated into an affordable housing project.



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Resyndication

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

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

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Why Acquisition & Rehab is Important



- Preserves existing affordable housing
- Often faster and less expensive than new construction
- Minimized displacement when done correctly

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Common Funding Sources



- Low-Income Housing Tax Credits (LIHTC)
- HOME funds
- Housing Trust Funds
- State and local grants or loans

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Basic LIHTC Overview



- Federal tax incentive for affordable housing
- Credits are claimed over 10 years
- Properties must meet income and rent limits

Acquisition Basics

- Property must be usually be at least 10 years old
- Must be an arm's-length purchase
- Some costs are eligible, others are not

Rehabilitation Basics

- Improvements must met minimum spending requirements (found in the QAP)
- Repairs can include:
  - Roofs, HVAC, Plumbing and Accessibility upgrades

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Important Reminder
Relationships are Important!



Communication



Business Owners



The 2026 Low-Income Housing Tax Credit Qualified Allocation Plan for the State of North Carolina

I. INTRODUCTION 4
II. SET-ASIDES, AWARD LIMITATIONS, AND COUNTY DESIGNATIONS 5
A. REHABILITATION SET-ASIDE 5
B. NEW CONSTRUCTION SET-ASIDES 5
1. GEOGRAPHIC REGIONS 5
2. REDEVELOPMENT PROJECTS 5
3. DISASTER RECOVERY 6

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NCHFA Development Team

Acquisition/Rehab & Resyndication Impact On Existing Residents

Acquisition/Rehab

- Existing residents are not "grandfathered in"
- New Certifications are required
- May have other programs but do not have existing tax credits

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Acquisition/Rehab & Resyndication Impact On Existing Residents

Resyndication with Existing Lura

- Must comply with both LURAs
- Existing, eligible households remain qualified after re-syndication
- New Income Certifications need to be performed on existing households (state noncompliance for failure to certify households within 120-days of acquisitions

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Acquisition/Rehab & Resyndication Impact On Existing Residents

Resyndication with out an Existing Lura

- Existing residents are not "grandfathered in" since the previous term has expired
- New certifications are required
- May have other programs but the tax credit extended use term is expired

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A second reminder from…



Susan Westbrook

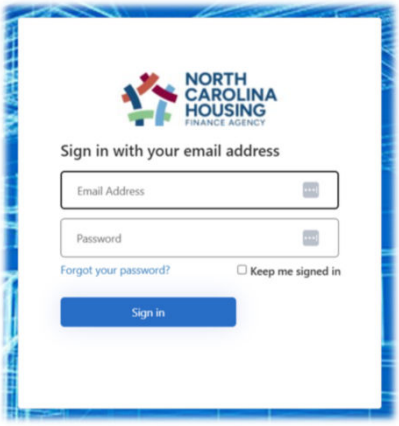
NCHFA Manager of Rental Assets

If a property gets a new allocation of credits after the current LURA has expired, the residents are not "grandfathered." Make sure you pay close attention to this potential issue.

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Acquisition & Rehab - RCRS



RCRS Activities

- For properties that were not previously TC, all existing tenants must be entered as new move-ins using the acquisition date as the move-in date.
- Any tenants move-in after the acquisition date, the MI effective date is the actual MI date.
- If transfer is not permanently, but temporary, then a transfer or move out/in is not required. Just annual recertificate when due

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Acquisition & Rehab - RCRS



RCRS Activities (cont.)

- Resyndication - enter an Initial Cert for existing tenants using the acquisition date as the effective date. No longer have to show them as a new move-in under the new allocation, as previously requested. Showing it as a Recert causes NCHFA to pull the wrong unit event for the file review. We review the qualifying unit event for the new allocation, not the original move-in. NCHFA only goes back to the original move-in if the household is over-income and wouldn't qualify under the new allocation.

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Minimum Rehab Requirements

- Must spend a minimum amount per unit
- Ensures meaningful improvements are made
- Amount varies by program and year

Residents During Rehab

- Existing tenants may remain if possible
- Temporary relocation may be required
- Clear communication is critical

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Income & Rent Rules

- Households must meet income limits
- Rents are restricted based on income levels
- Limits are updated annually

Compliance Period

- 15-year initial compliance period
- Extended use period 30+ years
- Noncompliance can results in penalties

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Common Mistakes



- Missing paperwork
- Incorrect income calculations
- Including ineligible costs
- Poor communication with residents

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Best Practices

- Start compliance early
- Keep organized records
- Coordinate development and management terms
- Ask questions before issues arise

Reminders

- Acquisition & rehab preserves affordable housing
- Rules must be followed carefully
- Good Planning prevents compliance problems



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Five Reminders

1. What concerns might residents have during rehab?
2. Why is communication important during this process?
3. What could go wrong if residents are not informed properly?
4. Who should staff contact if they are unsure how to handle a resident concern?
5. How does this scenario show the purpose of compliance rules?

Focus is on awareness
Remember to care for people
Everyone has a role

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Pondering on what we discussed…

Acquisition & rehab is not just about buildings – it's about preserving homes and protecting residents



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Monitoring Frequency – File & Physical

Pre-Monitoring & any or no TC status – (all programs)
- file review if placed in service in first 6 months of the year
- physical inspection following lease-up
- 20% of the total low-income units, with a minimum of 5 units

If affordability is over and loan has not been paid, the Agency will conduct a physical only. Completed annually, 10% of total units

Tax Credit (no Agency Loans) (less than 100 units)
- Every 3 years
- Compliance Period - 20% of the total low-income units, with a minimum of 5 units
- Extended Use - 10% of the total low-income units, no minimum

Have a heavily monitored facility? The Agency will likely conduct a curbside inspection annually. Exterior only, no units.

Tax Credit (no Agency Loans) (more than 100 units) (Average Income)
- Annually
- Compliance Period - 10% of the total low-income units, with a minimum of 5 units
- Extended Use - 5% of the total low-income units, no minimum



Agency Loans & Workforce Housing Loan Program & any or no TC status
- Annually
- 10% of the total low-income units, with a minimum of 5 units

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



Scheduling in RCRS

- Jan every year = compliance monitors enter ROUGH dates for all physical inspections and file reviews
- Check often for revisions (recommend checking monthly)
- Physical Inspections: Staff will email 30-60 days in advance
- Reschedule requests considered if requested **<u>at least 2 months</u>** in advance (rough schedule stage only)

February/2026	File Review	Tryon Grove	Tammy Douglas	(919) 877-5654	tgdouglas@nchfa.com
March/2026	File Review	Maple	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
March/2026	File Review	Santree	Krista Zimmer	(919) 480-8947	klzimmer@nchfa.com
03/03/2026 9:00 A.M.	Physical		Steven James	(919) 981-2654	spjames@nchfa.com
03/09/2026 9:00 A.M.	Physical Inspection	Highla	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
03/09/2026 1:00 P.M.	Physical Inspection	Pennin	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
March/2026	Physical Inspection	Abbing	Tammy Douglas	(919) 877-5654	tgdouglas@nchfa.com

Rough Schedule: Only shows month/year

Confirmed Schedule: Shows date and Time

Files: Show month/year until files are requested

Contact information for compliance monitor conducting review

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To access the monitoring schedule:
Log into RCRS, Click on “Monitoring Home” Tab

Notification Letters

<u>Physical Inspections:</u>

- Released in RCRS 15-days prior to inspection
- Includes “Tips for a Successful Property Inspection” and the State Noncompliance Policy 4.0 (effective 1/1/2024; updated 12/2025)

<u>File Reviews:</u>

- Released in RCRS 14-days prior to date files are due
- Includes a list of everything that is requested
- Use the 14-day window to self audit the files prior to submitting

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REMINDER!

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

Top 10 File Review

- Application not being completed correctly and completely
  - Leaving "other occupants" income/assets blank; No answers ALL questions (especially income/assets)
- Not completing and/or providing the Supplemental Information Form
- RCRS not being updated within 30 days (unit event and uploading documents)
- Management documents being outdate (TSP, AFHMP, etc)
- RCRS not matching the provided documentation
  - Income not matching; rent amount and/or subsidy amount not matching
- Recertification documents not being uploaded
  - Make sure these are uploaded with the file review, not under the unit event
- Failure to upload ALL documents (missing forms, asset verifications)
- Duplicate asset verifications
  - If using the Asset Self Certification, you do not need to 3rd party verify
- HOME properties: not providing the 2 months source documentation
- Uploading unnecessary documentation (VAWA Addenda, too many bank statements, other lease addenda)



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While we understand that mistakes happen, *repeated errors* indicate a need for stronger accountability.

File Reviews – Updating RCRS

- Recommend reviewing all data in RCRS monthly
  - Print the Property Activity Report (PAR)
    - Make sure all events are updated and none are missing
    - Make sure income, rent, subsidy, UA match (RCRS and documents)
- Ensure all move-ins have documents uploaded within 30 days
  - Not recerts, transfers, or updates
  - When AR is requested for the file review – upload the documents with the files, not under the buildings/unit
- Ensure management contacts are tagged correctly
- Check the notification flag for outstanding items







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File Review – Tips & Reminders

Read the notification letter – only provide what is requested

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



What to do with your 14-day time window

- Develop a plan
- Self audit – what is missing, check calculations, check what is documented versus what is in RCRS
- Review management documents – Tenant Selection Plan, Utility Allowances
- Have someone do a second check



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Self-corrections are noted as comments/observations and NOT noncompliance! MAKE THE CORRECTIONS!

Top 10 Physical Inspection Findings

1. Unprotected GFCI/AFCI within 6 feet of a water source 1547
2. Water Heater TPR valve terminates more than 6 inches or less than 6 inches from flood plane 1362
3. Vacant unit – vacant over 6 months (rent ready or not) 615
4. Smoke alarm not installed where required 551
5. Call-for-Aid: blocked or pull cord terminates higher than 6 inches from floor 542
6. Egress: Window blocked 490
7. Door – General: passage door component is damaged, or missing and door is not functionally adequate 461
8. Sink: component is damaged or missing and the sink is functionally adequate 362
9. Electrical – Conductor, Outlet, and Switch: Exposed electrical conductor 350
10. Non-Inspectable Area: Area not inspectable for any reason 340

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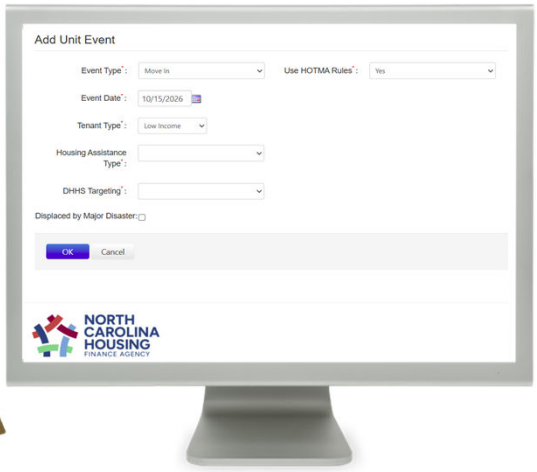


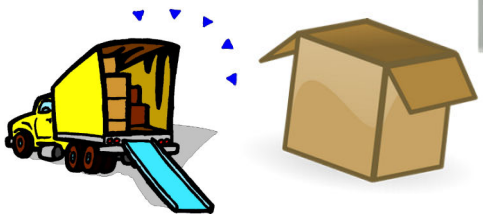
Over 18,000 findings in 2025

Vacant Units Over 6-Months Correction Clarification

To correct this issue of noncompliance

- The unit must be rented to a qualified household
- The move-in event entered in RCRS with all documents uploaded





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Physical Inspection – Tips & Reminders

What are we looking for?

- Ensuring the property and units are in compliance with:
  - NSPIRE, IRS and State specific requirements



Compliance Tips

- Have a preventative maintenance schedule
- Walk the property on a regular basis (all staff)
- Conduct random inspections
- When staff is in the units – look for work orders that may need to be generated
- Budget properly for replacements and big repairs
- Deferred maintenance costs more in the future
- Notify staff of the rough schedule month noted in RCRS
- Notify everyone as soon as the inspection date is confirmed
- Regularly review the standards/requirements and partake in training





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Reminders - Inspection Day

Review of Management Documents

All properties are required to have the following:

- AFHMP: Must be approved by the Agency (and not outdated), uploaded into RCRS and posted in a common area (must match)
- TSP: Must be approved by the Agency, uploaded into RCRS and posted in a common area (must match)
- HUD Form 5381 (or equivalent) – VAWA Emergency Transfer Plan: posted in a common area **(NEW FORM AVAILABLE)**

CHDO Properties:

- Tenant Grievance Procedures: Must be approved by the Agency, uploaded into RCRS and posted in a common area (must match)

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Reminders - Inspection Day

Review of Building Inspection Reports

Annual 3rd party inspection of building systems (if applicable):

- Elevator(s)
- Fire Protection Inspections: sprinkler, alarm systems, backflow
- Emergency backup generator, chiller and/or water boilers
- Rechargeable fire extinguishers
- Includes pre-monitoring inspections – have to for CO's



Helpful Hints

- If reports are NOT available before inspector leaves the property, it will be recorded as noncompliance
- Inspection reports must show that the systems/components have passed within 12 months
- If failed inspection, must provide work order/invoice that items were corrected
- Any report showing failed components and not corrected will put the property/building in noncompliance

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Reminders - Inspection Day

Unit Selection



Choosing Units to Inspect (Guidelines):

- Sample size is based on funding type and compliance period status
- Vacant Units: Policy will be reevaluated Annually
  - 2026: Agency will inspect 20% of vacant units over 30-days (up to a maximum of 10 units)
  - Prior to 2021: Agency inspected 100% of units vacant over 30-days
- The Agency may inspect additional vacant or occupied units as deemed necessary up to 100% of the units

Units that will NOT be chosen:



*Special conditions when Agency Staff may not want to inspect certain units

- Bedbug/insect infestation
- Resident under eviction
- Unit is under court related lock-out
- Resident with a contagious illness and/or terminal illness
- Vicious dog barking or growling at the door and resident is not home
- Resident(s) that are verbally or physically abusive
- Minors where an adult is not home

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Reminder:
Vacant units over 6 months (rent ready or not) will be inspected and state noncompliance issued is no move-in is scheduled





Reminders - Responding

File Reviews:

Keep correction documentation in order of the Exhibit A

- Ensure to include all documents requested 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

Physical Inspection:

- Failure to make 24-hour repairs within the 24-hours and continued practice of not making repairs timely may result in being removed from the Approved Management List
- Provide work order/invoice/picture documenting correction
  - Invoice: contractor/vendor completed the work
  - Work Order: maintenance completed the work
  - Picture: resident completed the work
- Make sure the invoice/work order includes the date work was completed (otherwise it will be considered incomplete)
- A bid/proposal is not satisfactory documentation that the finding has been corrected

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We do NOT need a copy of the compliance results letters.





Reminders - Responding



Letters Management Will Receive:

- Compliance Results Letter
  - Typically 30-days to respond
  - Can ask for an extension if needed for major repairs or unforeseen circumstances
- Final Results Letter
  - The 15-day grace period is GONE beginning 1/1/2026
  - Any open findings on this letter, to correct must be addressed in a Compliance Resolution Packet

Compliance Resolution Packet:

- Any outstanding open noncompliance must be corrected to remain in good standing with the Agency
- Owner/management creates/uploads compliance resolution packets in RCRS
- If applicable, all corrected IRS findings will be reported on an updated IRS Form 8823
- Agency does NOT sent out reminder notifications of uncorrected noncompliance
- Open noncompliance does NOT show on the red notification bar in RCRS

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Outstanding noncompliance will not show up here

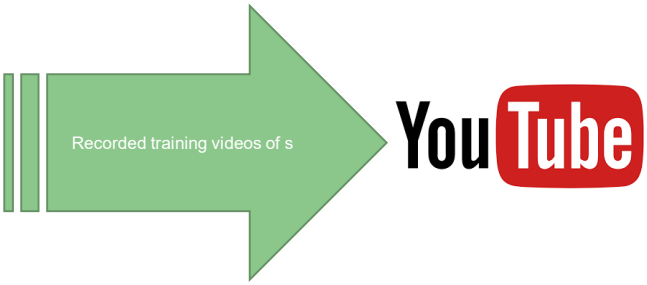
NCHFA - Training

Agency Sponsored Trainings Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers > Train With Us



- Registration for classes closes the two Thursdays before the week of training
  - Example: November 17, 2026 (Advanced Training) – Closes November 5, 2026 @ 12am
- Understand the NCHFA Refund/Cancellation Policy
  - Each person registering must clock the box indicating they read and are familiar with the policy





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2027 NCHFA Compliance 101
and Advanced Compliance Training
Affordable Housing Compliance
February 17–18, 2027 | IN-PERSON
Riverfront Convention Center — New Bern
May 18–19, 2027 | IN-PERSON + VIRTUAL
NCSU McKimmon Center — Raleigh
July 14–15, 2027 | IN-PERSON
NCSU McKimmon Center — Raleigh
September 21–22, 2027 | IN-PERSON
Hilton DoubleTree — Asheville
November 2–3, 2027 | IN-PERSON + VIRTUAL
NCSU McKimmon Center — Raleigh
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AI Assisted Image


2027 Targeting & Key Assistance
Training Opportunities
Same Mission... More Communities... Greater Impact!
Greenville
2/11/2027
In-Person
Greenville Convention Center, Greenville
Statesville
3/25/2027
In-Person
Statesville Convention Center, Statesville
Greensboro
5/13/2027
In-Person
Guilford County Cooperative Extension, Greensboro
Mills River
9/14/2027
In-Person
Mills River Convention Center, Mills River
Raleigh
10/12/2027
In-Person & Virtual
NCSU McKimmon Center, Raleigh
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Building Stronger Communities
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2027
Supportive Housing Program
Monitoring Training
Stronger Communities. Brighter Futures.
JACKSONVILLE NORTH CAROLINA
NC STATE WOLFPACK
STATESVILLE NC
BLUE RIDGE PARKWAY ASHEVILLE, NC
SHELTER
Emergency Shelters
Transitional Housing
Permanent Housing
Group Homes
Hospice Facilities
NORTH CAROLINA HOUSING FINANCE AGENCY
3/10/2027
In-person
Onslow County Cooperative Extension Agency – Jacksonville
5/25/2027
In-person and Virtual
NCSU McKimmon Center – Raleigh
7/21/2027
In-person
Iredell County Cooperative Extension Agency – Statesville
10/6/2027
In-person
Mills River Cooperative Extension Agency – Mills River
AI Assisted Image


Learn Grow Succeed
Rental Compliance Reporting System (RCRS)
training opportunities
to be offered in 2027.
The format is still being determined.
ONLINE TRAINING
Compliance
Reporting
Success
Better Together
Same Great Training... New Opportunities!
NORTH CAROLINA HOUSING FINANCE AGENCY
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NCHFA – Training Material

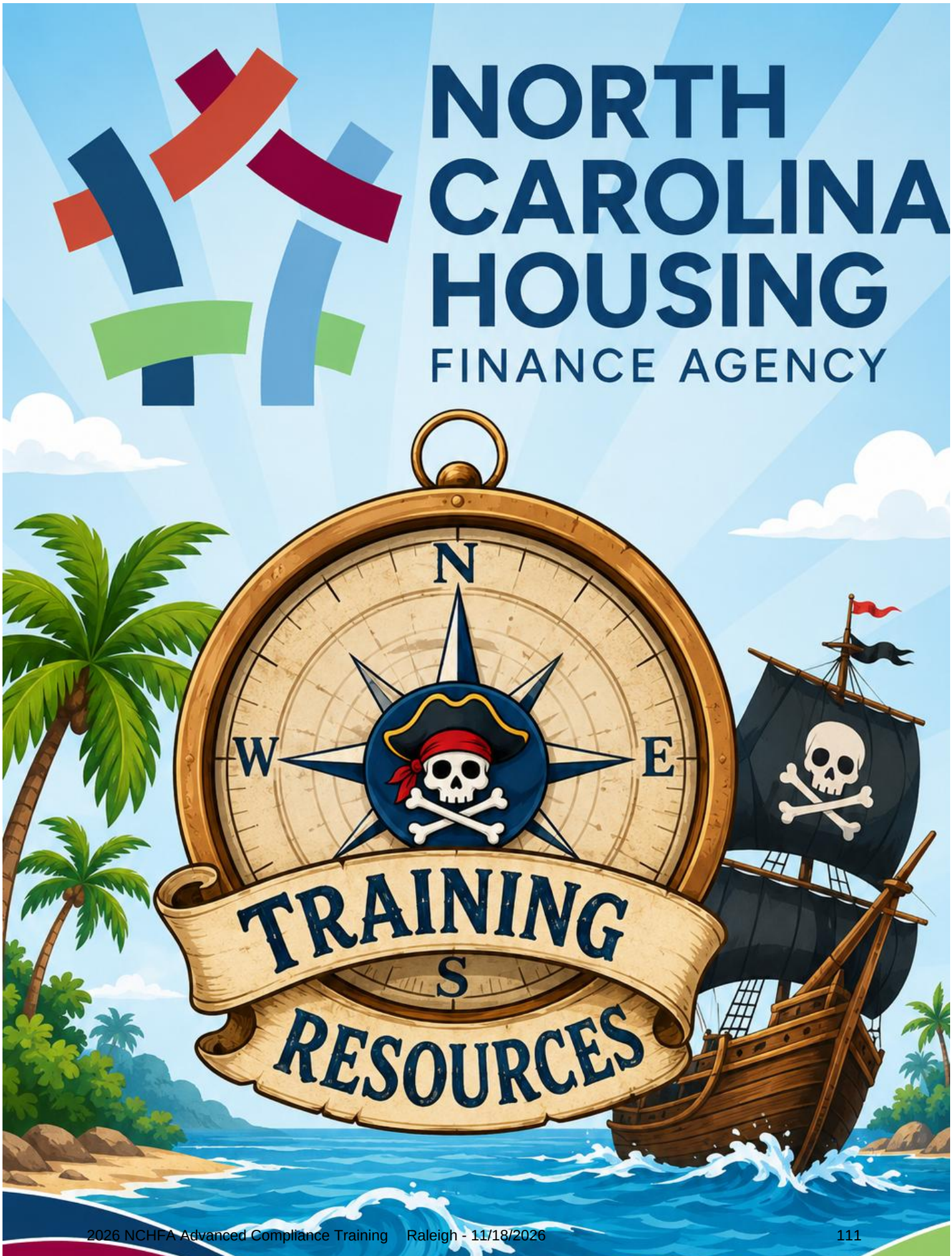
- Asset Management Compliance Manual
  - **Last Updated June 2026**
  - Includes HOTMA Updates
  - Future updates may/will be necessary as regulations and policies change
- Compliance 101 & Advanced Compliance Training Book
  - Updated after each virtual training to ensure the most up-to-date version
- Targeting Program & KEY Assistance
  - Updated after each virtual training to ensure the most up-to-date version
- Supportive Housing Development Program Training
  - Updated annually
- RCRS Overview Presentation

Recorded training videos of virtual trainings have been added to the Agency YouTube Page

YouTube

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


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TRAINING
RESOURCES

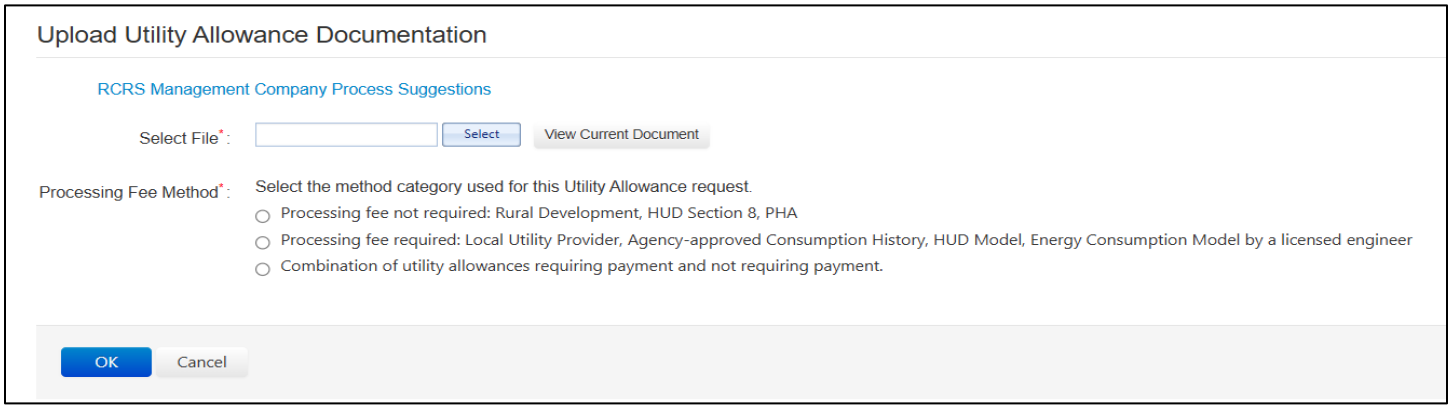
Utility Allowance (UA) Instructions for Management

Instructions for entering UA documentation and payment information into RCRS for Agency review/approval

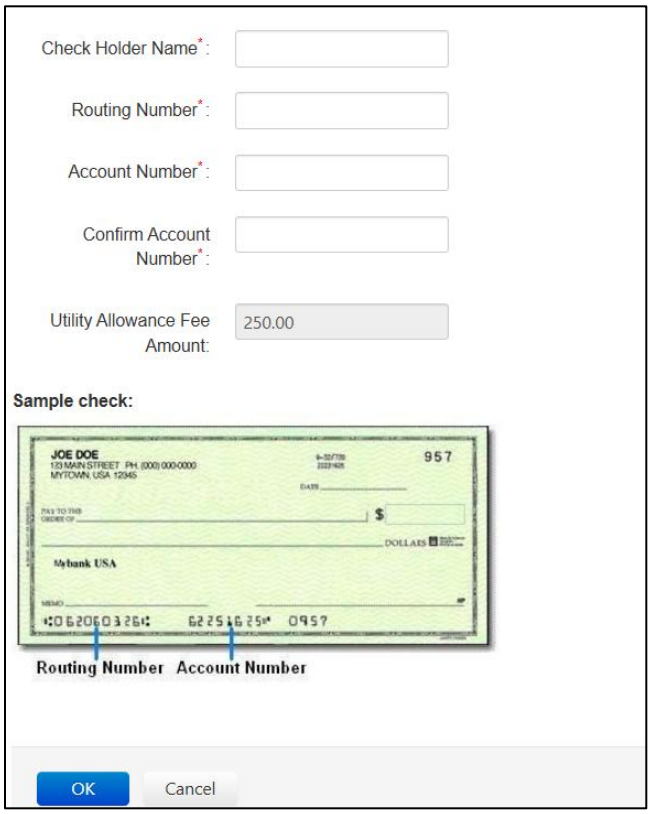
Effective July 1, 2026

Instructions for Management to submit Utility Allowance into RCRS for review/approval:

1. Log into RCRS and select the property that needs a UA update from the property list.
2. Under the Property Menu at the top, select Utility Allowance from the dropdown menu.
3. Click Request Utility Allowance Update in the green box at the top right corner.
4. Click Select to upload a PDF containing all of the applicable utility allowance types and data being submitted.
5. Check the box beside each applicable UA type. Click OK at the bottom left.



6. If the UA submitted doesn't require a processing fee, no additional information is needed.
7. If the UA submitted requires a processing fee, please enter the appropriate information and click OK at the bottom. The processing fee amount is not editable and will be extracted from the bank account provided.



Note: If the UA is returned due to inadequate documentation, an additional fee will not be required when you resubmit.

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 are all specifically included in family income
  - Workman's Compensation 24 CFR § 5.609 (c)(5)
  - Earned income of children under the age of 18 years
- Verifications:
  - 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, all 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.

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: _____

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 all 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:
☐ Yes ☐ No	Enter 1-5: _____	1. TANF assistance 2. Previously in state foster care system 3. Job Training Program 4. Single parent/dependent child 5. Married/joint return

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

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