

## NCHFA Asset Handling Matrix

Asset Type	Characteristics	Verification Process
Savings Account, Money Market Account	Typically used to hold cash that can be deposited and withdrawn, most pay an interest rate that must also be calculated and included as income.	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required using bank verification or the most recent bank statement showing the current balance (all pages, front and back must be provided). An Asset Verification form can be found on the Agency's Forms and Resources Page.</p> <p><i>If applicable</i>  <math>\text{Interest Income} = (\text{Current Balance} \times \text{Interest Rate})</math></p>
Checking Accounts	Typically used to receive deposits and to pay bills or online transactions, make purchases, issue checks, make withdrawals, etc. These accounts may pay interest which must be calculated and included as income.	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required using bank verification or the most recent six (6) bank statements showing the ending balances (all pages, front and back must be provided). An Asset Verification form can be found on the Agency's Forms and Resources Page.</p> <p>Six Month Cash Value = (total of six-month ending balances / 6)  <i>If applicable</i>  <math>\text{Interest Income} = (\text{six-month average} \times \text{interest rate})</math></p>
Certificate of Deposits (CD)	A certificate of deposit (CD) is a way to hold cash at a bank. A CD is for a period of time: usually between three months and five years. If the consumer withdraws the money before the agreed time period, there will be a penalty charged. These accounts typically pay a higher interest rate than a traditional savings account.	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required using bank verification or the most recent bank statement showing the current balance (all pages, front and back must be provided). An Asset Verification form can be found on the Agency's Forms and Resources Page.</p> <p>Cash Value = (Current Balance – penalty to withdraw)  <math>\text{Interest Income} = (\text{current balance} \times \text{interest rate})</math></p>
Depository Debit Cards	Typically used in place of checking or savings accounts to receive direct deposit funds (i.e. employment income, social security, etc.). Some cards have the option to load additional funds at participating retail locations (not banks/ATM). The card can be used to pay bills online, make purchases, withdrawals, etc.	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. This can be accomplished by using an ATM balance inquiry receipt or online printout of statement (not transaction history) that includes the date of the inquiry and the cash balance. Also, the resident can call the number on the back of the card for a balance inquiry and allow management to hear the balance and complete a clarification statement, listing the information signed by both the resident and management.</p>
Mobile Payment Services (Venmo, PayPal, Cash App, etc.)	Typically, these accounts are used to transfer funds from one individual to another, and not to hold a cash balance. If a resident discloses on the application that they have this type of account, even if no cash is being held in the asset, the account should be verified.	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. If the total household assets value is over \$5,000, third party verification is required. This can be accomplished by using an online printout of statement (not transaction history) that includes the date of the inquiry and the cash balance (preferred method). Also, the resident can use a print screen from the app for a balance inquiry (acceptable alternative method).</p> <p>NOTE: If the resident disclosed this type of asset on the application and there is no cash being held, the tenant must provide an affidavit or clarification statement that there is no cash being held.</p>

## NCHFA Asset Handling Matrix

Asset Type	Characteristics	Verification Process
Alternative Accounts (i.e. Chime)	Typically used similar to depository debit cards. While many times these assets are marketed as a checking or savings account, they do not meet the characteristics of these type of accounts. Some cards have the option to load additional funds at participating retail locations (not banks/ATM). The card can be used to pay bills online, make purchases, withdrawals, etc.	If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. This can be accomplished by using an ATM balance inquiry receipt or online printout of statement (not transaction history) that includes the date of the inquiry and the cash balance. Also, the resident can call the number on the back of the card for a balance inquiry and allow management to hear the balance and complete a clarification statement, listing the information signed by both the resident and management.
Crypto-Currency (Bitcoin, Ether, Ripple, etc.	This type of asset will be treated as a stock.	See verification process for stocks
Cash on Hand	Actual cash that an individual has on their person or in possession of.	If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. This can be accomplished by completing a self-affidavit. A Cash on Hand – Self-Affidavit form can be found the Agency’s Forms and Resources page.
Life Insurance (Whole Life)	Whole life insurance policies provide a permanent benefit payable at death. Policies typically also provide a savings component that builds cash value over time with a “cash out option.”  The policyholder can access the cash while alive, by either withdrawing or borrowing against it, when needed.	If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. A verification can be sent to agency/company or the policy documents can be used (all pages must be provided, including front and back). Policy documents must include a cash value schedule by year that can be used to determine the cash value.  The cash value is the amount listed on the Tenant Income Certification.  Cash Value = Surrender Value Interest Income = (Surrender Value X Interest)
Stocks	Stock are shares of a business that are sold to investors.	If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. A verification can be sent to agency/company or the most recent statement can be used (all pages must be provided, including front and back).  Cash Value = (# if shares X stock price – cost to turn stock into cash) Asset Income = (# of shares X dividend)
IRA, 401K, Keogh, Pension, etc.	Asset that employees/employers contribute to for long time retirement security.  If the asset is accessible the cash value must be included on the Tenant Income Certification. If the asset is not accessible, it is not included and documentation must be provided indicating there is no access.	If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. A verification can be sent to agency/company or the most recent statement can be used (all pages must be provided, including front and back).  If regular recurring distributions are being made, it is no longer considered an asset, but the annualized distributions are considered income. Sporadic distributions are not considered income.  Cash Value = (market value – less penalty for early withdrawal) Asset Income = (market value X interest)  Note: If being counted as income, it will not be counted as an asset

## NCHFA Asset Handling Matrix

Asset Type	Characteristics	Verification Process
Real Estate/Property	Property that is owned (land and/or dwelling).	<p>If total cash value of household assets is under \$5,000 use the Under \$5,000 Asset Certification. If total cash value of household assets is over \$5,000, third party verification is required. Market value can be verified by utilizing property tax documents, appraisals, Zillow estimate, etc. A Real Estate Verification form can be found on the Agency's Form and Resources Page (to be completed by a real estate appraiser or tax accessor official)</p> <p>Cash Value = (listed property value – taxes (most recent tax bill)– mortgage (documentation of payoff balance) – cost to sell)</p> <p>Asset Income: There is no actual income unless the asset is being rented, at which time the net rental income becomes the actual asset income.</p>

**Notes:**

- The Under \$5,000 Asset Certification is a required form found on the Agency website under Forms and Resources.
- If the property has RPP funds from the Agency, regardless of total household assets must be third party verified. The Under \$5,000 Asset Certification cannot be used
- If other funding sources or owner/management company policy requires third party verification, the Under \$5,000 Asset Certification should not be used or uploaded in the Rental Compliance Reporting System (RCRS). The use of the Under \$5,000 Asset Certification and third-party asset verification can present a conflict of information, both forms are not required. The duplicate verification submitted will be noted as a comment/concern and conflicting information may result in noncompliance.
- When the total household assets are greater than \$5,000 you must calculate both actual income and imputed income (using the HUD passbook rate) and list the higher of the two as the asset income on the Tenant Income Certification.

To access the Agency's Form and Resources page, visit:

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