

# File Monitoring Partner Training



**May 2, 2025**

Present by:  
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# DISCUSSION TOPICS

1. Monitoring Process Overview
2. Tenant Income Certification
3. Income and Asset Verification
4. Student Status
5. Additional Documents
6. Tenant Application
7. Lease Requirements

# MONITORING PROCESS OVERVIEW

# FILE MONITORING OVERVIEW

Funding Source	Tax Credit	HOME/CDBG/CDBG-D/HTF/NSP
Initial Audit	Within 2 (two) years of the P.I.S. At least once every three years thereafter.	Within Three Years of the Period of Affordability Start Date as noted on the official Close-out Letter. At least once every three years thereafter
Sample Size	20%	4 or less project units= 100% audit More than 4= 20%
Extension Request/Fees	Early request \$150 Late request \$250	Must be done in advance
Extended Use	Once every 5 years from date of Extended Use	Not Applicable

[2024-RHTC-Compliance-Manual-FINALv4.pdf](#)

[Federal Programs Ongoing Rental Compliance Manual](#)

# FILE MONITORING OVERVIEW

Funding Source	Tax Credit
File Format	Desktop notification/file request letter will include a checklist of the items that must be included in each tenant file submitted. When reviewing copies of the files, <b>IHCDA will expect to see all the applicable documents listed on the checklist, in the approximate order that they are listed</b>
Desktop Audit Process	<p>Notify the owner in writing which unit files have been selected for review.</p> <p>Request that electronic copies of selected files and documentation via Onsite link. Contact your IHCDA Compliance Auditor once uploaded.</p> <p>Provide current rent roll and last IHCDA Approved utility allowance information.</p> <p>Auditor will inform the owner and PM of any findings of noncompliance discovered.</p> <p>Owner has 90 days to notify IHCDA of correction of noncompliance.</p> <p>Report all instances of noncompliance to the IRS via Form 8823 within 45 days of the end of the correction period, whether or not non-compliance has been corrected.</p>
Onsite Audit Process	<p>Notify the owner and primary management listed in system in writing when they will be onsite to audit. Owner and Property manager required to share internally.</p> <p>Auditor will:</p> <ul style="list-style-type: none"> <li>• Need copy of current rent roll</li> <li>• Need Copy of Current IHCDA Approved utility allowance information.</li> <li>• Provide staff of selected tenant files upon arrival to location</li> <li>• Allow the owner 90 days to notify IHCDA of correction of noncompliance.</li> <li>• Report all instances of noncompliance to the IRS via Form 8823 within 45 days of the end of the correction period, <b>whether or not the noncompliance has been corrected.</b></li> </ul>

# FILE MONITORING OVERVIEW

Funding Source	HOME/CDBG/CDBG-D, NSP, HTF
File Format	Desktop notification/file request letter will include a checklist of the items that must be included in each tenant file submitted. When reviewing copies of the files, <b>IHCDA expects to see all the applicable documents listed on the checklist, in the approximate order that they are listed</b>
Desktop Audit Process	<p>Notify the owner in writing which unit files have been selected for review.</p> <p>Request that electronic copies of selected files and documentation via Onsite link. Contact your IHCDA Compliance Auditor once uploaded.</p> <p>Provide current rent roll and last IHCDA Approved utility allowance information.</p> <p>Auditor will inform the owner and PM of any findings of noncompliance discovered.</p> <p>Owner has 30 days to notify IHCDA of correction of noncompliance.</p>
Onsite Audit Process	<p>Notify the owner and primary management listed in system in writing when they will be onsite to audit. Owner and Property manager required to share internally.</p> <p>Auditor will:</p> <ul style="list-style-type: none"><li>• Need copy of current rent roll</li><li>• Need Copy of Current IHCDA Approved utility allowance information.</li><li>• Provide staff of selected tenant files upon arrival to location</li><li>• Allow the owner 30 days to notify IHCDA of correction of noncompliance.</li></ul>

# NON-COMPLIANCE RESULTS

LIHTC	Federal (HOME/DFL/NSP/CDBG/HTF)
* 8823 if within 15 years of compliance period	* Recapture of award funds
* \$250 late fee for missed deadlines	* Negative points/rejection of future applications
* State Experience Requests are affected	* State Experience Requests are affected
* 100% file review	* 100% file review
* Suspension/Suspension Recommendation	* Suspension/Suspension Recommendation
* Loss of credits/Recapture	* Loss of credits/Recapture
* An increase in the frequency of IHCDAs audits/inspections	* An increase in the frequency of IHCDAs audits/inspections
* Payback rent overages	* Payback rent overages
* Mandatory attendance at an IHCDAs sponsored compliance training	* Mandatory attendance at an IHCDAs sponsored compliance training

# FILE MONITORING DOCUMENTATION REQUIREMENTS

## FILE MONITORING DOCUMENTATION REQUIREMENTS

Tax Credit Audit (with Market Units)		
Submit recertification file for review, plus addenda		
Documents	Move In	Recertification
TIC (H)	yes- form #22	yes- form #22
Questionnaire (PP)	yes	yes
VAWA (H)	yes	no
HAP/50058 (1st and current) (H)	yes	yes
Income Verification (PP)	yes	yes
Student Cert(PP)	yes	yes
Lease (Initial & Addendum) (H)	yes	yes
Section 42 Addendum (H)	yes	no
Asset Verification (H)	yes	yes

100% Tax Credit Audit and/or Development Fund Recert	
Submit both move in and recert file for tenant	
Documents	Tax Credit/DFL
TIC (initial and current) (H)	yes- form #28
Questionnaire (PP)	no
VAWA (H)	no
HAP/50058 (1st and current) (H)	yes
Income Verification (PP)	no
Student Cert(PP)	yes
Lease (Initial & Addendum) (H)	yes
Section 42 Addendum (H)	no
Asset Verification (H)	no

EUP Audit Recertification	
Submit both move in and recert file for tenant	
Documents	Tax Credit
TIC (1st and current) (H)	y- form #34
Questionnaire	n
VAWA (Initial Only)	n
HAP/50058 (1st and current) (H)	y
Income Verification (PP)	n
Student Cert	n
Lease (Initial & Addendum)(H)	y
Section 42 Addendum	n
Asset Verification	n

H-Household requirement  
PP-Per Person requirement

Federal Certification Audit (NHTF, HOME, DF-move in only)		
Submit recertification file for review, plus addenda		
Documents	Move In	Recertification
TIC (H)	yes-form #38	yes-form #38
Questionnaire (PP)	yes	yes
VAWA (H)	yes	no
HAP/50058 (1st and current) (H)	yes	yes
Income Verification (PP)	yes	yes
Student Cert (PP)	yes	yes
Lease (Initial & Addendum) (H)	yes	yes
HOME Lease Addendum (H)	yes	no
Asset Verification (PP)	yes	yes
Lead Receipt (Prior 1978 Construction) (H)	yes	no
Fair Housing Receipt (H)	yes	no

CDBG-D and NSP Audit (if also HOME, follow full recertification process)		
Submit recertification file for review, plus addenda		
Documents	Move In	Recertification
TIC (H)	y-form #38	y-form #39
Questionnaire (PP)	yes	no
VAWA (H)	no	no
HAP/50058 (1st and current) (H)	yes	yes
Income Verification (PP)	yes	no
Student Cert(PP)	no	no
Lease (Initial & Addendum) (H)	yes	yes
HOME Lease Addendum (H)	yes	no
Asset Verification (PP)	yes	no
Lead Receipt (Prior 1978 Construction) (H)	yes	no
Fair Housing Receipt (H)	yes	no

Federal (HOME/HTF) and Tax Credit Audit (Combo)		
Documents	Move In	Recertification
TIC (H)	y- form #22	y- form #22
Questionnaire (PP)	y	y
VAWA (H)	HOME version	n
HAP/50058 (1st and current) (H)	y	y
Income Verification (PP)	y	y
Student Cert(PP)	TC and HOME	TC and HOME
Lease (Initial & Addendum) (H)	y	y
HOME Lease Addendum (H)	y	n
Asset Verification (PP)	y	y
Lead Receipt (Prior 1978 Construction) (H)	y	n
Fair Housing Receipt (H)	y	n



# TENANT INCOME CERTIFICATION

# TENANT INCOME CERTIFICATION (TIC)

TENANT INCOME CERTIFICATION				Effective Date: _____					
<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other _____				Move-in Date: _____					
Unit Transfer from unit # _____				(MM/DD/YYYY)					
<b>PART I - DEVELOPMENT DATA</b>									
Property Name: _____		County: _____		BIN #: _____					
Unit Number: _____		# Bedrooms: _____							
<b>PART II - HOUSEHOLD COMPOSITION</b>									
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Gender	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Special Needs	Race	Ethnicity
1			HEAD						
2									
3									
4									
5									
6									
7									
<b>PART III - GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)</b>									
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income					
TOTALS	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00					
Add totals from (A) through (D), above				TOTAL INCOME (E):		\$ 0.00			
<b>PART IV - INCOME FROM ASSETS</b>									
HH Mbr #	(F) Type of Asset	(G) C/D	(H) Cash Value of Asset	(I) Annual Income from Asset	(J) A/I				
NON-NECESSARY PERSONAL PROPERTY (NNPP):									
List the cash value of each asset as \$0 if the total combined cash value of all NNPP assets is ≤\$50,000. However, still list annual income even if value is \$0.									
REAL PROPERTY									
TOTAL ASSET INCOME (K):				\$ 0.00					
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 0.00					
<b>HOUSEHOLD CERTIFICATION &amp; SIGNATURES</b>									
<small>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.</small>									
<small>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.</small>									
Signature _____ Signature _____		Signature _____ Signature _____		Signature _____ Signature _____					
(Date) _____		(Date) _____		(Date) _____					

## Effective Date and Move In Dates

- Will always remain the same except for the year
- Even with Section 8, those dates do not affect this section- no alignment with RHTC, Fed. Programs and Section 8

## Type of Certification

- Completing this section ensures auditor knows how to review this file

Tenants (18+ years old) sign bottom of document

- Power of Attorneys sign document

# TENANT INCOME CERTIFICATION – PAGE 2

PART V. DETERMINATION OF INCOME ELIGIBILITY	
<b>TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES:</b> <small>From item (K) on page 1</small> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;">\$ 0.00</div>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>Household Meets Income Restriction at:</b>  <input type="checkbox"/> 20% <input type="checkbox"/> 30%  <input type="checkbox"/> 40% <input type="checkbox"/> 50%  <input type="checkbox"/> 60% <input type="checkbox"/> 70%  <input type="checkbox"/> 80%                         </div> <div style="width: 50%;"> <b>RE-CERTIFICATION ONLY:</b>  <b>Current Minimum Set-Aside Income Limit x 140%:</b>  <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div> </div> </div> <div style="margin-top: 10px;"> <b>Household Income exceeds 140% at recertification:</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No                         </div>
<b>Current Income Limit per Family Size:</b> <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	<b>Household Size at Move-in:</b> <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>

PART VI. RENT	
<b>Tenant Paid Rent Utility Allowance:</b> <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	<b>Rent Assistance:</b> <b>Other non-optional charges:</b> <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>
<b>GROSS RENT FOR UNIT:</b> <small>(Tenant paid rent plus Utility Allowance &amp; other non-optional charges)</small> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;">\$ 0.00</div>	<b>Unit Meets Rent Restriction at:</b> <input type="checkbox"/> 20% <input type="checkbox"/> 30% <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 70% <input type="checkbox"/> 80%
<b>Maximum Rent Limit for this unit:</b> \$ <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	

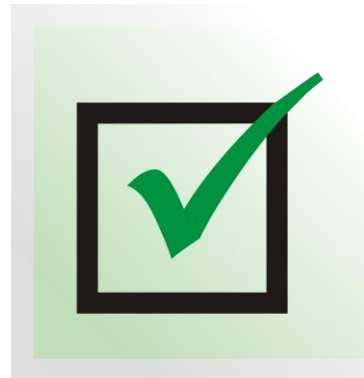
  

PART VII. LIHTC STUDENT STATUS:	
<small>(Reminder: File must contain Student Status Certifications for all adult household members)</small>	
<b>Does the household consist <u>entirely</u> of full-time students?</b> <input type="checkbox"/> Yes <input type="checkbox"/> NO	

PART VIII. PROGRAM TYPE		
<small>Mark the program(s) listed below (a. through c.) 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/recertification.</small>		
<b>a. Tax Credit or Tax-Exempt Bonds</b> <input type="checkbox"/> <small>See Part V above.</small>	<b>b. HOME/HTF/CDBG or NSP</b> <input type="checkbox"/> <small>Income Status</small> <input type="checkbox"/> ≤ 30% AMGI <input type="checkbox"/> ≤ 40% AMGI <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OT*	<b>c. (Other: Insert Name of Program)</b> <input type="checkbox"/> <small>Income Status</small> <input type="checkbox"/> (insert %) <input type="checkbox"/> OT*
<small>*OT= Upon recertification, household was determined over-income according to eligibility requirements of the program(s) marked above.</small>		

Rent and Income Restrictions  
 -Must align with Set-asides elected in award agreement documentation (e.g. High/Low Home, RHTC set aside elected per the 8609 II and/or LURA



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 41 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

**SIGNATURE OF OWNER/REPRESENTATIVE**  **DATE**



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap or familial status.



# COMMON TIC ERRORS

## Common Tenant Income Certification Errors

- Move in dates and effective dates mismatch (Month and day should never change, only the year)
- Data Entry into IHCD Online
- Rent and Income Restrictions are selected not correct- (EG PM selected 30% Low Home, but family income is above 80% AMI)
- Using Outdated IHCD mandated or template forms.
- TIC, Lease and Federally Assisted Subsidy dollar amounts mismatch. (E.G. Gross rent= \$850, Tenant Paid Rent is 200.00 Subsidy is 650.00 but TIC and lease only show rent at tenant paid portion of \$200.00)
- Missing Staff and tenant signature and date

NOTE: When property is multi-funded, only the LIHTC TIC is required

# INCOME AND ASSET VERIFICATIONS



# Asset Verification

What auditors are looking for, when applicable:

1. Income Certification Questionnaire Form 23 (mandatory)
2. Asset Verification Form 2
3. Bank Verification Form 3
4. Under \$51,600 Asset Certification Form 26-2025
5. Third party verification
6. Assets imputed correctly with current passbook rate, when applicable
  - TIC doesn't compute passbook rate



# Under \$51,600 Asset Certification

## UNDER \$51,600 ASSET CERTIFICATION (EFFECTIVE CALENDAR YEAR 2025)

For households whose combined net assets does not exceed \$51,600. If net assets exceed \$51,600, assets must be third-party verified.  
Complete only one form per household. include assets of children. This form is effective for move-in or recertification files with an effective date in calendar year 2025.

Household Name: \_\_\_\_\_

Complete all that apply for 1 through 4: If you do not have the asset listed, mark cash value as N/A. Do not leave blank spaces.

1. My/our assets include:	(A) Cash Value*	(B) Int. Rate	(C) Asset Income (A x B)	Source	(A) Cash Value*	(B) Int. Rate	(C) Asset Income (A x B)	Source
\$ _____	_____	_____	\$ _____	Savings Account	\$ _____	_____	\$ _____	Checking Account
\$ _____	_____	_____	\$ _____	Cash on Hand	\$ _____	_____	\$ _____	Safe Deposit Box
\$ _____	_____	_____	\$ _____	Certificates of Deposit	\$ _____	_____	\$ _____	Money Market Funds
\$ _____	_____	_____	\$ _____	Stocks	\$ _____	_____	\$ _____	Bonds
\$ _____	_____	_____	\$ _____	Paycard	\$ _____	_____	\$ _____	Digital Wallet Account
\$ _____	_____	_____	\$ _____	Lump Sum Receipts	\$ _____	_____	\$ _____	Revocable Trust
\$ _____	_____	_____	\$ _____	Real Estate				
\$ _____	_____	_____	\$ _____	Whole Life Insurance Policies (excluding Term)				
\$ _____	_____	_____	\$ _____	Cryptocurrency / Virtual Currency:				
\$ _____	_____	_____	\$ _____	Other** (list) _____				

PLEASE NOTE: Certain funds (e.g., trusts) may or may not be (fully) accessible to you. Include only those amounts which are.

\*Cash value is defined as market value minus the cost of converting the asset to cash, such as broker's fees, settlement costs, outstanding loans, early withdrawal penalties, etc.

\*\*Other non-necessary personal property includes, but is not limited to, recreational vehicles or boats not needed for day-to-day transportation, expensive jewelry without religious or cultural value or which does not hold family significance, collectibles such as coins or stamps, equipment or machinery that is not used to generate income for a business, or items such as gemstones, antiques, artwork, etc. Do not include necessary personal property such as, but not necessarily limited to, vehicles relied on for transportation, furniture, carpets, linens, kitchenware, common appliances, common electronics, clothing, personal effects that are not luxury items such as toys or books, wedding and engagement rings, jewelry used in religious/cultural ceremonies, medical equipment and supplies, health care-related supplies, musical instruments used by the family, personal computers or tablets, phones, professional tools of trade, educational materials, equipment to accommodate persons with disabilities, or exercise equipment.

2. ☐ Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) for more than \$1,000 below their fair market value (FMV). Those amounts are included above and are equal to a total of: \$ \_\_\_\_\_ (the difference between FMV and the amount received, for each asset on which this occurred).

3. ☐ 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.

4. ☐ I/we do not have any assets at this time.

5. The net family assets (as defined in 24 CFR 5.603) listed above do not exceed \$51,600 and the annual income from these assets is \$ \_\_\_\_\_. This amount is included in total gross annual income.

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/Tenant _____	Date _____	Applicant/Tenant _____	Date _____
Applicant/Tenant _____	Date _____	Applicant/Tenant _____	Date _____
Applicant/Tenant _____	Date _____	Applicant/Tenant _____	Date _____
Applicant/Tenant _____	Date _____	Applicant/Tenant _____	Date _____



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Household form- include  
child assets

The form can be used for both  
LIHTC and HOME/Federal  
funded properties

Inflation will affect the  
Asset Certification Amount



# QUESTIONNAIRE/TIC Q

Check the yes or no box and enter Monthly Gross Income, if applicable

INCOME CERTIFICATION QUESTIONNAIRE (*NOTE: A separate questionnaire must be completed by each adult member of the household)		
NAME: _____		
<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Addition of Household Member		
<b>RENTAL ASSISTANCE</b>		
YES   NO		
1. <input type="checkbox"/> YES <input type="checkbox"/> NO	I receive Section 8 Housing Choice Voucher rental assistance. If yes, list the housing authority below.  Housing Authority Name _____	Note: This is not counted as household income.
2. <input type="checkbox"/> YES <input type="checkbox"/> NO	I receive another form of federal or state rental assistance (not Section 8). If yes, list the housing authority or entity that provides the rental assistance below.  Program Name _____ Organization providing rental assistance _____	Note: This is not counted as household income.
<b>INCOME INFORMATION</b>		
Include all income sources, including unearned income of minors.		
YES   NO		
3. <input type="checkbox"/> YES <input type="checkbox"/> NO	I am self-employed. (List nature of self-employment). This includes but is not limited to: 1099-contractors, rideshare companies (e.g., Uber, Lyft), app-based delivery services (e.g., DoorDash, Grubhub, Shipt, etc.), other gig economy jobs, multi-level marketing companies (e.g., Mary Kay, Total Life Changes, Avon, etc.), social media income (e.g., YouTube, TikTok, etc.), etc.  List types: 1) _____ 2) _____	MONTHLY GROSS INCOME (Use <u>net</u> income from business)  \$ _____
4. <input type="checkbox"/> YES <input type="checkbox"/> NO	I have a job and receive the following types of pay. Include income earned as a seasonal worker or day laborer.  Check all that apply:  <input type="checkbox"/> Wages <input type="checkbox"/> Salary <input type="checkbox"/> Overtime pay <input type="checkbox"/> Commissions <input type="checkbox"/> Tips (reported) <input type="checkbox"/> Cash tips (not reported or disclosed) <input type="checkbox"/> Bonuses <input type="checkbox"/> Other compensation  List the businesses and/or companies that pay you: Name of Employer _____	\$ _____  \$ _____

Review the document with tenant/applicant before accepting it as complete



# INCOME VERIFICATION COMPLIANCE

## 120 Day Rule

LITHC income verifications of income are valid for 120 days

- Includes SSI/SSDI

Federal Funded properties-income verifications are valid for 6 months

## Zero Income Verification Form 27

Form used only when there is no income for the household

- If one member receives income, i.e. SSDI, Gig, then this form does not need completed.

# EMPLOYMENT VERIFICATION-POST HOTMA

## 1. Tax Credit Pay Stubs

- Two consecutive paystubs

## 2. HOME/HTF/NSP/CDBG

- Two months of consecutive paystubs

## 3. Employment Verification Form 8

## 4. PHA Income Verification/Safe Harbor Form 16A

- \* TANF
- \* Medicaid
- \* SNAP
- \* Earned Income Tax Credit (EITC)
- \* WIC
- \* SSI
- \* Other programs HUD through the Federal Register

5. 50058 (50059 can't be used for income verification) however PHA can use Safe Harbor form to certify income.

# VERIFICATION HIERARCHY

**Verification Hierarchy\***

Level	Verification Technique	Ranking/Order of Acceptability
5	Upfront Income Verification (UIV) using non-EIV system- e.g., The Work Number, web-based state benefit systems, etc.	Highest
4	Written third-party verification from the source provided by the tenant- e.g., paystubs, bank statements, benefit letters, etc.	High
3	Written, third-party verification form	Medium- use if applicant or tenant is unable to provide Level 4 documentation
2	Oral, third-party verification	Medium
1	Self-certification (not third-party)	Low- use as last resort if unable to obtain any third-party verification or use when specifically permitted such as when net assets do not exceed \$50,000 (adjusted by inflation)

\*Adapted from Table J2: Verification Hierarchy from HUD Notice H 2023-10 / PIH 2023-7. Note: Level 6 EIV has been removed

# TYPES OF INCOME- EXCLUDED

**1. Nonrecurring income:** Income that is not recurring is not counted as income. Examples of nonrecurring income:

- payments from the U.S. Census Bureau for employment lasting no longer than 180 days
- tax refunds or tax credits
- gifts for holidays, birthdays, weddings, baby showers, etc
- lump sum additions to net family assets, including lottery or contest winnings
- non-monetary, in-kind donations such as food, clothing, or toiletries received from a food bank or similar organization

**2. Unsecured income:** IHCDa does not require owners to include unsecured income sources when calculating household income.

Any income source not specifically excluded must be included. See the list of income exclusions at 24 CFR 5.609.

# TYPES OF INCOME-INCLUDED

1. **Sporadic or seasonal income:** income received as an:
  - a) independent contractor- Individuals considered “gig workers,” such as babysitters, landscapers, rideshare or app-based delivery drivers, and house cleaners,
  - b) day laborer- paid one day at a time, or
  - c) seasonal worker- employment begins about the same time each year holidays, agricultural seasons, lifeguards, ballpark vendors, snowplow drivers.

Any income source not specifically excluded must be included. See the list of income exclusions at 24 CFR 5.609.

Note that income limits are based on gross annual income, not adjusted annual income

# STUDENT STATUS



# STUDENT STATUS CERTIFICATION

There are two types of Student Status Certification form  
- LIHTC (Form 35) and HOME/Federal (Form 36)



The Student Status Certification needs completed annually

## LIHTC

- Once property enters the Extended Use period, Student Status Certification is not required, however, if property wishes to reapply for new credits (rehab/resyn), current residents **MUST** have student status recerts completed annually. Failure to do so will result in project being ineligible for new credits.
- When subsidy layered, both program student status certification forms must be used

# RENT ASSISTANCE SECTION 8/NON-FEDERAL





# Gross Rent Calculation

The portion of the rent paid by Section 8 households or Other Non-Federal Subsidy Programs: can exceed the LIHTC rent limit as long as family gets at Least \$1.00 of subsidy paid to the owner on their behalf.

## Zero HAP/Zero Subsidy- LIHTC ONLY

If LIHTC tenant is at zero/loss of HAP/Subsidy, Owner **must** adjust rent to program limit **immediately**. Can't evict when this occurs solely on loss of HAP

### HOME Gross Rent=

Tenant-paid rent portion + tenant-based rental assistance + utility allowance + non-optional fees

- Gross rent can't exceed HUD max limits

### LIHTC Gross Rent=

Tenant-paid rent portion + utility allowance + non-optional fees

-Gross rent can exceed Tax Credit max limits when tenant receives rental assistance.

**Limits cannot exceed Section 8 FMR for area.**

# Section 8 Verification

**Housing Choice Vouchers (HCV)**, a copy of either

(1) the original Housing Assistance Payment (HAP) Contract and the current HAP Amendment from the Public Housing Authority (PHA),

or,

(2) a copy of the current HUD Form 50058.

**Section 8 Project Based Voucher (PBV)**,

- a copy of the current HUD Form 50058 showing the amount of rental assistance.

- HUD 52530 Tenancy Addendum

**Section 8 Project Based Rental Assistance (PBRA)** or Section 811

Project Rental Assistance (811 PRA) units,

- HUD Form 50059 showing the amount of rental assistance

Supporting document required at move in  
and at recertification of tenant event

# OTHER DOCUMENTS



# ADDITIONAL APPLICABLE FORMS

## **Unborn Child Self-Certification (Form 25)**

- Applicable household member to complete form at their discretion, when pregnant/adopting

## **Live-in Aide Certification**

- Live-in Care Attendant Certification (Form 11)– live in attendant completes form
- Live-in Care Attendant Verification (Form 12)- Medical provider form

## **Marital Separation Status Certification/Divorce Decree (Form 14)**

- Needed when the Separation/Divorce is recent/ last 12 months
- If there is a question on income separation
- Where the children live with parent, if applicable

## **Indiana Housing Now ([www.indianahousingnow.org](http://www.indianahousingnow.org))**

Property must provide a screenshot that vacant units are marketed on this website

*\*Except with PSH/Housing First or projects utilizing COC as point of entry.*

## **Affirmative Fair Housing Marketing Plan (HUD Form 935.2A)**

- Updated every 5 years
- All HOME funded properties
- Tax credit projects with BIN 2023 or later.

# TENANT APPLICATION

**APPLICATION FOR RENTAL**

applicants (18 years or older) must complete a separate ap

LEASE START/TERM:

DATE OF

EMAIL

NAME

# Tenant Application

Application fee should be less than the cost to the owner/owner agent for completing the required reviews,

- Amount should be on either application or Tenant Selection Plan
- If application fee is zero, please list there is no application fee

The application, TIC and Lease have the same individuals listed across all forms

- Protective Classes identified on form isn't encouraged
- Completed within 120 days prior to move in event date



# VIOLENCE AGAINST WOMEN ACT

# VAWA Forms

There is a specific VAWA form for both LIHTC and Federally funded programs

-Please complete HOME when subsidy layered

RED Compliance website

- VAWA Lease Addendum: Exhibit H contains form for both program types
  - Required at time of move in only** (upload this document for audit)
- HUD or IHCD form only
- VAWA Incident Documentation: HUD-5382-form the tenant can provide when requesting VAWA protections
- VAWA Transfer Request: HUD 5383
  1. Victim of DV, dating violence, sexual assault, stalking
  2. You expressly request the emergency transfer
  3. you are threatened with imminent harm from further violence

Or

4. You are a victim of sexual assault and assault occurred on premises during the 90 calendar day period before transfer request.



# LEASE REQUIREMENTS



# LEASE INFORMATION

- ❖ Every move in requires an original Lease
- ❖ Every recertification types needs a Lease Renewal Addendum, at minimum
- ❖ Program Agreements are allowed for Transitional and Migrant Camp Workers
- ❖ Lease Term dates must align with move in dates
- ❖ Rental amount must match the TIC and HAP/Subsidy contract, where applicable
- ❖ Initial lease cannot be shorter than 6 months (LIHTC)/ 12 months (HOME/Federal)

## 100% Tax Credit properties

- Must submit both current and move in lease

## For Federal Properties/Tax Credit with Market Rate units

- Must submit the current lease with addenda (Submit VAWA and Lease Addenda signed at move in)

## Utility Allowance

- Tenant paid and owner paid must be clearly documented on lease agreement

## Federally Funded Properties Lease Prohibitive Language

- Waiver of legal rights
- Comprehensive list is found in Federal Ongoing Compliance Manual

# TENANT SELECTION PLAN



# TSP REQUIREMENTS

- Occupancy standards in effect
- Program eligibility factors- income limits and student status eligibility;
- Minimum income requirements imposed by management, if applicable.
  - Not applied to applicants with tenant/property based rental assistance.
- Any citizenship requirements imposed by management or required by another funding source, if applicable;
- Specifics on the information that is analyzed when performing credit checks, criminal background checks, and previous landlord references.
- Explanation of the application and waiting list process, including the rejection and appeal process;
- Explanation of the transfer policies in effect;
- Breakdown of any special preferences set aside at the project (e.g., units reserved for special needs populations, or a Housing for Older Persons Act age restriction on the project);
  - Found in LURA or Final Application

# PERMANENT SUPPORTIVE HOUSING

## Alternative Tenant Selection Plan Requirements

- Must be written specific to supportive housing principles
- Must utilize Coordinated Entry as the referral source
- May not screen out individuals based on
  - ☐ a minimum income test,
  - ☐ credit history,
  - ☐ previous landlord history including previous evictions,
  - ☐ a history of or active substance use,
  - ☐ history of homelessness
- Must include low-barrier criminal background screening
- Must utilize eviction prevention plan

**\*\*Tenants must sign a lease as this is not a temporary or seasonal property\*\***

# AUDIT LETTERS



# Types of Monitoring Letters

## File Monitoring Notice

- Majority of audits will be completed at IHCDa office (desktop)
- Initial/first audit after Placed in Service (PIS)/Period of Affordability (POA) will be conducted onsite
- Onsite audits can occur when an auditor is concerned with possible non-compliance issues

## Types of Letters

- File Monitoring Notice- 14 Day notice
- No Issue Letter- there were no State or Federal compliance issues
- Issue Letter- LIHTC property receives 90 days to resolve issues; HOME receives 30 calendar days to resolve issues
- Requested Files not Received- LIHTC properties receive a \$250 late fee; an additional 14 calendar days is provided to submit requested files
- Recommendation for Suspension- No response to previous letters
- Correction Documents not Received
  - LIHTC properties receive a \$250 late fee; an additional 14 calendar days is provided to submit requested files

# HOW TO RESOLVE ISSUES





# File Monitoring Issues Identified, Now What?

- Review the Issue Letter **thoroughly**
- Review manual to better understand the identified non-compliance findings
- Reach out to assigned auditor prior to due date for any clarifying questions
- Upload any tenant documents to the One Drive Link
- Provide a detailed written issues letter response to ensure each issue is addressed
- Notify the auditor that correction documents are uploaded in OneDrive folder

Each auditor reviews approximately 1,000 tenant files



# IN SUMMARY

# GENERAL INFORMATION

- Tenant/staff Signatures and dates on every form where applicable
- Correct document errors following manual requirements
- Ensure documents are completed in its entirety
- Review the forms at the time the tenant/applicants submits to the office for completion
- **Each tenant file is organized in the same manner as the checklist**
- Provide only the documents for review for the requested BIN/Award
- Combo properties should be mindful if monitoring notice is requesting specifically Tax Credit docs or Home docs
- If the unit selected is currently vacant, upload most recent household and requested unit move out documentation
- If you are using the 100% recertification Exemption, submit move in file and current recertification file
- Upload all tenant documents (requested and correction) to One Drive folder
- All auditors will provide detailed letters of findings and language required to remediate
- All auditors will provide one on one technical assistance as requested by partner
- Partners can reach out to Director of Real Estate Compliance as needed.  
Cfarzetta@ihcda.in.gov

# QUESTIONS

