



Household Certification Requirements

Effective with the enactment of the Housing and Economic Recovery Act (HERA) of 2008, New Hampshire Housing revised its policies regarding annual certifications. The following requirements apply to all programs *except Section 8 and Section 811*. Section 8 and Section 811 projects must continue to follow the requirements outlined in [HUD Handbook 4350.3 Rev-1, Change 4](#), or other requirements as dictated by HUD.

Programs Subject to These Requirements

These Initial and Annual Certification Requirements apply to the following programs:

- Affordable Housing Fund (AHF)
- Conduit Bonds
- Credit Suisse
- Community Reinvestment Fund (CRF)
- FAF
- Federal Financing Bank (FFB)
- HOME
- Housing Trust Fund (HTF)
- Operating Fund
- Low Income Housing Tax Credit (LIHTC)
- Section 1602
- Tax Credit Assistance Program (TCAP)
- Taxable Bonds
- Tax-Exempt Bonds

Any program-specific requirements will be indicated accordingly.

Owner's Responsibility

It is a housing owner's responsibility to select and rent to qualified households. New Hampshire Housing will not qualify or approve eligible households. Please refer to New Hampshire Housing's website ([Asset Management & Compliance](#)) for the most current compliance forms, policies and procedures.

Calculation of Household Income

HOME/HTF: Properties receiving funding through the HOME program must verify income and assets in accordance with 24 CFR Part 92 and the determination of annual income under Section 8 of the United States Housing Act of 1937 program. Properties receiving funding through the Housing Trust Fund program must verify income and assets in accordance with 24 CFR Part 93 and the determination of annual income under Section 8 of the United States Housing Act of 1937 program.

LIHTC: According to the Compliance Monitoring Regulations contained in Treasury Regulation §1.42-5, for Low Income Housing Tax Credit (LIHTC) properties, "Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of

1937 ("Section 8"), not in accordance with the determination of gross income for federal income tax liability."

Tax-exempt Bond: In accordance with Treasury Regulation §142(d)(2)(B), "The income of individuals and area median gross income shall be determined by the Secretary in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the United States Housing Act of 1937 (or, if such program is terminated, under such program as in effect immediately before such termination)."

All Other Programs: All other programs administered by New Hampshire Housing will verify and determine income and assets in accordance with Section 8 of the United States Housing Act of 1937.

Current Section 8 guidance regarding verification and calculation of household income and assets can be found in Chapter 5 of [HUD Handbook 4350.3 Rev-1, Change 4](#).

Verification

HOME/HTF: 24 CFR § 92.203 (HOME) and 24 CFR § 93.151 (HTF) require an owner to determine annual income based on an examination of at least 2 months of source documents (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

All Other Programs: Owners may follow the Acceptable Verification Methods outlined in [HUD Handbook 4350.3 Rev-1, Change 4, Section 5-13](#), except that 5-13(B)(1)(a) does not apply to programs not authorized to use HUD's Enterprise Income Verification System (EIV). Properties subject to HUD's EIV requirements must follow those requirements **and** obtain acceptable verification for non-HUD program purposes.

***Note:** Although current IRS guidance allows the use of the [UNDER \\$5,000 ASSET CERTIFICATION](#) and the [VERIFICATION OF SECTION 8 ELIGIBILITY](#) for initial eligibility determination for the LIHTC program, New Hampshire Housing does not. Initial certifications must be substantiated by third party verification or source documents.

Tenant Income Certification

The Tenant Income Certification (TIC) is used to certify a project's eligible households. The use of this TIC form is required in order to ensure the continuity necessary for accurate monitoring of these projects. The form is a legal document which, when fully executed, qualifies the applicant to live in a unit. It is not to be used as a rental application.

For all programs, [New Hampshire Housing's TIC](#) must be used and is to be completed, signed and dated by the owner/agent and signed and dated by all adult household members (adults include persons under the age of 18 who are treated as adults because they are the head, spouse or co-head of household) on or before the effective date. If a household member is unable to sign the forms on time due to extenuating circumstances, the owner/agent must document the reasons for the delay in the tenant file and indicate how and when the tenant will provide the proper signature.

Initial Eligibility Determination

Initial tenant eligibility is determined at the time of move-in certification or, in mixed income properties, it may be at the time of initial certification. Before a household takes occupancy, owners/agents must determine that the household will cause the unit to be a qualifying unit. Initial eligibility verification must include household composition, income/assets, and student status (if applicable).

Special instructions for newly placed in service LIHTC properties with existing residents.

Acquisition/Rehab: For households occupying a unit at the time of acquisition, an initial TIC may be completed up to 120 days after the date of acquisition using the income limits in effect on the day of acquisition. The effective date and move-in date on the TIC will be the acquisition placed in service date. This is the only exception to the general rule that all verifications must be completed, and all TICs must be signed, on or before the effective date.

If a TIC is completed more than 120 days after the acquisition, the effective date will be the date the last adult member of the household signs the TIC. Note that the above-referenced exception to the general rule will not apply in this case; all verifications must be no older than 120 days from the date of receipt by the owner/agent and all verifications must be completed prior to the effective date.

LIHTC Safe Harbor: All owners are advised to read IRS Revenue Procedure 2003-82, effective November 24, 2003, which provides safe harbors under which the IRS will treat a residential unit in a building as low income if the household income has been certified as eligible in the year before the first credit year but their incomes exceed the income limit at the beginning of the first taxable year of the credit period. The Revenue Procedure was issued as a result of questions from owners regarding when individuals must satisfy the applicable income limit when they move into an existing building (or are existing residents) on or after the date an owner acquires a building to be rehabilitated, but before the beginning of the first credit year. Because of those questions, some owners required that the household income not exceed the applicable income limit at the beginning of the first credit year, even though the household income was below the income limit when the household moved into the unit (or was initially certified). This has resulted in some households being evicted, where permissible under local law, from tax credit properties.

Please note that the purpose of this Revenue Procedure is to provide owners protection from challenge by the Internal Revenue Service on this issue. Testing for application of the Available Unit Rule referred to in the Revenue Procedure consists of confirming with the household(s) that the sources and amounts of anticipated income included on the TIC are still current. If additional sources or amounts are identified, the TIC must be updated based on the household's documentation. It is not necessary to complete third party verifications. For owners/agents working on an acquisition/rehab project, please contact New Hampshire Housing's Asset Management staff for a form (Income Test to Apply the LIHTC Safe Harbor Rule) that can be used in this process.

For the LIHTC initial certification of project-based Section 8 or other HUD or Rural Development subsidized units, New Hampshire Housing will accept an annual certification (but not an interim recertification) effective within 120 days of the placed in service date. Please note that a TIC must also be completed and signed.

Reminder: Owners/agents are not allowed to use information obtained through HUD's Enterprise Income Verification (EIV) system for any non-HUD programs. Full compliance with EIV requirements is expected.

It is important to note that even if a unit is occupied by a household that appears to be qualified, until the TIC is fully and properly completed and signed, the unit is treated as non-qualifying and tax credits are not available.

Resyndication (properties with an existing allocation of tax credits that receive an additional allocation): Households determined to be income-qualified for purposes of the IRC §42 credit during the 15-year compliance period may be concurrently income-qualified households for purposes of the extended use period. Any households that were determined to be income eligible under the original credit allocation will continue to be eligible under the new allocation. Student status, however, is not grandfathered. In order to memorialize the placed in service date to confirm the income and rent limits that will be used and to confirm continued student eligibility, a TIC and Student Status certification must be completed for each household in place at the time of acquisition. Similar to other LIHTC Acquisition/Rehab projects, the TIC should be effective on the date of acquisition but can be signed after that date as long as it is within 120 days of the acquisition date.

Market Units

For purposes of tracking the Available Unit Rule, it is necessary for owners/agents to submit a move-in certification for each Market Unit household in all mixed income projects. This submission must be made via the HDS Next Gen system (see the Tenant Data Submission section below for further information). At a minimum, the market unit move-in information must include the move in date, head of household name, gross household income (as reported by the household) and the gross rent for the unit.

Annual Recertification

HOME/HTF Projects: Households may provide a [HOME/HTF Annual Recertification Resident Statement and Certification](#), which provides a written statement of the household's size and amount of annual income along with a certification that the information is complete and accurate. Owners/agents may always reserve the right to request source documentation from the household if deemed necessary. New Hampshire Housing's self-certification form must be used and substitutes other than the TIC or HUD Form 50059 will not be accepted.

When opting for the annual self-certification method, owners/agents must keep in mind that 24 CFR Part 92.252(h) and 24 CFR Part 93.302(e) requires all households to fully income certify using source documentation in the first year of the Period of Affordability and every 6th year thereafter. The Period of Affordability is defined by HUD and owners/agents are encouraged to contact the Asset Manager assigned to the property to confirm the correct certification schedule.

Mixed Income Projects: Owners/agents of mixed income projects are required to recertify annually as to the gross annual income, student status and household composition of all low-income households. The recertification process should begin 120 days prior to the anniversary date of the previous certification.

Reminder: Owners/agents are not allowed to use information obtained through HUD's Enterprise Income Verification (EIV) system for any non-HUD programs. Full compliance with EIV requirements is expected.

100% Low-Income Projects*: Effective 8/1/08, annual income recertifications are not required for 100% low-income projects. A project is 100% low-income when the allocation was based on all units in the project and all units are in compliance. It is essential that each initial certification in a 100% low-

income project be done very carefully and thoroughly. In LIHTC and Tax-exempt Bond projects, if a tenant income certification has insufficient documentation of gross annual household income or it is determined for any reason that one or more households does not qualify, the owner/agent must resume conducting annual recertifications until 100% of the units are back in compliance.

Owners/agents of 100% LIHTC projects must also obtain certification of student status and household composition for all units on an annual basis no later than the anniversary of the initial certification. The TIC may be used to document this certification.

***Important:** For LIHTC properties, the IRS considers each building to be a separate project unless the owner elects to treat certain buildings as a multiple-building project. Owners make the election for multiple building projects on Part II, line 8b of IRS form 8609. Until New Hampshire Housing becomes aware of an owner's line 8b election, the property will be treated as if all buildings are separate projects. Managers of properties containing some 100% buildings and some mixed-income buildings must obtain copies of the filed 8609s and use caution when determining if 100% buildings are exempt from recertification. If the 100% buildings are part of a multiple-building project that includes mixed income buildings, the 100% buildings do not qualify for the exemption. If the 100% buildings are treated as a separate project or are part of a multiple-building project that contains only 100% buildings, then they do qualify for the exemption.

All LIHTC, HOME, HTF and Tax-Exempt Bond Projects: Student Status Certification, and any applicable supporting documentation for exemptions, is always required annually, no later than the anniversary of the Initial Certification. Although not required, owners/agents may use New Hampshire Housing's [sample form](#) for LIHTC and Tax-exempt Bond properties.

Owners/agents are reminded that the HOME/HTF student status definition differs from the LIHTC and Tax-exempt Bond definition. Student eligibility must be determined under all applicable program requirements.

Note: New Hampshire Housing has a specific [Compliance and Monitoring Policy](#) for LIHTC properties that have completed the 15-year compliance period. Please refer to this policy for certification requirements for Post Year 15 properties.

Tenant Data Submission

The Housing and Economic Recovery Act of 2008 (HERA) contains a provision requiring State Housing Finance Agencies (HFAs) that administer the LIHTC program to collect data on residents of LIHTC properties. The law requires HFAs to collect and transmit to HUD annually information about LIHTC tenants, including their race, ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments. The law also requires HFAs to establish procedures to minimize duplicative reporting requirements for properties assisted under multiple housing programs. To comply with these provisions, New Hampshire Housing requires all owners/agents to submit all necessary data through the [HDS Next Gen website](#) (formerly Web Compliance). Submission of completed calendar year data is due by February 1st of the following year.

Submission of tenant data and household certification information is also required to satisfy New Hampshire Housing's compliance monitoring requirements. This information takes the place of the Status Report that was required for all LIHTC properties prior to 2011. At a minimum the data submitted must include certification dates (move-in, initial, annual, transfer and move out), gross income, household composition, income and rent designation (50% or 60%), student status, rent, utility allowance, and subsidy, if applicable.

Beginning with the February 1, 2018 tenant data submission, owners/agents must submit a certification annually for all LIHTC units that includes, at a minimum, the household composition, student status, rent and utility allowance for that unit, regardless of whether or not the project is 100% LIHTC and exempt from the annual recertification requirement. Mixed income properties must continue to submit annual recertification information.

In addition, effective with the January 2018 LIHTC compliance monitoring reviews, at least two weeks prior to the review, owners/agents will be asked to complete an upload of all LIHTC unit data.

Owners are reminded that late and/or incomplete submission of required reports, certifications, and other documentation may have a negative impact on future scoring for the LIHTC program and other future funding from New Hampshire Housing.