

PROGRAM COMPARISONS

Category	LHHC	HOME	Section 8	Tax - Exempt Bond
Lease	Initial lease term six month after that no lease requirements	One year	Minimum one year on all Section 8 except LMSA and PDSA which is the lesser of one year, or the remaining term of the HAP Contract. (4350.3, Figure 6-3) LMSA- Loan Management Set-Aside PDSA- Property Disposition Set-Aside	
Security Deposit	Reasonable, uniform	Reasonable, uniform	<input type="checkbox"/> 1 mo. TPP. NC w/AHAP executed before 11/5/79; SR w/AHAP executed before 2/20/80; RHS- \$15. <input type="checkbox"/> Greater of 1 mo TPP or \$50. SR w/AHAP on or after 11/5/79; SR w/AHAP on or after 2/20/80; All others not listed. <input type="checkbox"/> Up to one months TPP- LMSA	
	DRAFT		(4350.3, Figure 6-6) TPP- Total Tenant Payment NC- New Construction AHAP- Agreement to enter into the Housing Assistant Payments Contract SR- Substantial Rehabilitation RHS- Rural Housing Services	
Application Fee		Reasonable, uniform	Reasonable, uniform	For rental projects, owners may not charge applicants for cost associated with accepting and processing applications, screening applicants, or verifying income and

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Optional Fees	Must be optional or will be added to rent	Must be optional or will be added to rent	eligibility. Cooperatives are permitted to charge a reasonable application and credit check fee. (4350.3, Sec 6-20)	
Management Plan	Must have written plan	Must have written plan	Written plan not required to be submitted to HUD	
Selection Criteria	Must have written criteria	Must have written criteria	Must have written criteria. (4350.3, Sec. 4-4)	
Criminal Background checks	Not required	Not required	Required (4350.3, Sec. 4-7)	
SS# Number	Required for all tenants	Required for all tenants	Required for all family members at least six years and older (4350.3, Sec. 3-9)	
Physical Inspection	Uniform Physical Standards	Code HQS in absence of Code	Good repair and condition require. Minimum acceptable REAC score if 60. www.hud.gov/offices/reac	
Forms Required	LIHTC additional Language Student Affidavit Handicapped Unit Clause Service Animal Language	HOME additional Language Handicap Unit Clause Service Animal Language		
Full-time Students	All member of household cannot be fulltime students in past five months or going forward. Fulltime determined by educational institution	Allowed	Full-time student households are not prohibited. (4350.3, Sec 5-6)	Only exemption: Married and eligible to file a joint tax return

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0 Income	4 Exceptions IRS requires explanation	Allowed	Allowed, Should monitor.	
Low-Income Vacant Units	Maintains the status of previously occupied household as long as unit is continually marketed and if next available units of comparable or smaller size are rented to qualified low-income residents.		Section 8 defines Elderly as a household whose head is 62 years of age or older. (4350.3, Figure 3-5 and 3-6)	Maintains its status as low-income if occupied for 31 days by a qualified tenant until reoccupied, then takes on status of new resident.
Definition of Elderly/Older	Age 55 or older; or 62 plus everyone in Household must be age eligible; no underage handicapped or disabled		Unborn children are not included in the allowance for dependents but must be included when determining family size for income limits and the size of unit. (4350.3, Sec. 3-6 and Sec. 3-22)	
Unborn Children	Unborn children are counted for bedroom size and as part of the household for income qualifications			
Certifying Occupants (Tenant Income Certification -a/k/a TIC, ICC, and IQC)	Tenant signs State approved Tenant Income Certification no later than day of move-in and in the State of Georgia, no sooner than 5-days prior to move-in. Preference is to have the State Certification at move-in and the 50059 can be used for recertification.		Tenants' family composition and income must be verified at initial move-in. The 50059 data requirements must be utilized for this process. (4350.3 Chapter 7 and Section 9-2)	Housing Authority Regulatory Agreement will designate approved Tenant Income Certification form to be signed at move-in and annual renewal. Must be signed no later than date of occupancy and no sooner than 5-days prior to move-in.

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Annual Re-certification	Tenants must be re-certified "at least" annually; however, State may impose strict re-certification guidelines such as the 1 st day of the anniversary month of occupancy. (See State Guidelines). Again, the 50059 is allowed for recertification.		Tenants must be recertified annually (4350.3, Chapter 7, Sec 1) and if applicable, interim recertification (4350.3, Chapter 7, Section 2)	Refer to Regulatory Agreement, but generally no more than 30 days prior to resident's initial occupancy anniversary and no later than move-in anniversary.
Tenant/Unit Transfers-on-Site	Once a tenant is qualified that tenant is "always qualified". If a tenant's income ever exceeds the allowable AMI limit (50% or 60%) that tenant can be transferred from unit to unit within a building. However, if the tenant's income exceeds the allowable AMI limit and they are transferred to another building they would have to be qualified as a new tenant and obviously would not qualify.	<p style="font-size: 48pt; font-weight: bold; opacity: 0.5;">DRAFT</p>	The owner may transfer the existing security deposit to the new unit and maintain the initial move-in date. (4350.3, Sec 6-16) Unless there is an income change, the unit transfer does not impact tenant eligibility.	Must be re-certified upon occurrence – project based – and meet restrictions as a new move-in tenant. Within building transfer rule (Section 1.42-15) does not apply to Bond Properties.
Over-Income Units (140% Test) Next Available Rule	At annual renewal, if unit's income exceeds 140% of applicable income, must rent next available unit of comparable or smaller size in the building the over-income tenant resides to a qualified low-income household. (See Section 1.42-15) Per IRS Revenue Ruling on 9/26/97, the next available unit is a building rule and not a project rule.		When a unit becomes vacant, the owner must select the next applicant from the waiting list based on the unit size available, preferences established for the property, income-targeting policies and requirements, and screening policies applied by the owner. Income targeting policy requires 40% of units vacated be housed with extremely low-income families. (4350.3, Sec 4-23)	At annual renewal, if unit's income exceeds 140% of applicable income, must rent the next available unit of comparable or smaller size to qualified tenant only – project wide. This is a project rule, not a building rule.

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<p>Minimum Set-Asides</p>	<p>Must elect 20/50 or 40/60 set-aside test. One-time election is met on a "building basis" or "project basis" the determination of which is made by the owner. The 8609 will indicate the election the owner has made. The election is the "minimum" set-aside requirement.</p>		<p>When a unit becomes vacant, the owner must select the next applicant from the waiting list based on the unit size available, preferences established for the property, income-targeting policies and requirements, and screening policies applied by the owner. Income targeting policy requires 40% of units vacated be housed with extremely low-income families (44-393, Sec 4 and 4-23)</p>	<p>The set-aside is "project-based" not building based. It is important to rent your low-income units first to insure that once the first 10% of the units are rented, 20% or 40% of the 10% units have been rented to low-income families.</p>
<p>Rent Restrictions</p>	<p>Rents are restricted by the Federal Government at 30% of AMI (Area Median Income). Rent is imputed at 1.5 persons per bedroom (post 1989) using HUD income limits for the imputed family size. For example: a 2-bedroom apartment would have an imputed occupancy of 3 persons. Utility allowances must be deducted from gross</p>	<p>On existing projects, rent increases are determined by various methods, OCAF, AAF and budget based. For processing new mortgage insurance on projects with Section 8, rents are limited to market rents. Utility allowance must be deducted from contract rent when tenants are responsible for paying utilities. OCAF- Operating Cost</p>	<p>Rent Restrictions are not imposed by the Federal Government under the bond Program (unless Deep Rent Skewing is elected); however, the Issuer "may" impose restrictions in the Regulatory Agreement (LURA).</p>	

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Reporting Requirements	Annual Owner's Report to State Agency and Form 8609 annually with the IRS. In addition, State may impose quarterly (or more frequently) reporting.		Adjustment Factors AAF- Annual Adjustment Factors	Annual Report for 8703 to the IRS by March 31 st for the prior year or as determined by the Secretary. \$100 fine for each failure to comply with 142(d)(7). Bond Issuer's Reports are due per Regulatory Agreements, generally monthly or quarterly.
Compliance Reviews	State Agency or Independent Third-Party Reviewer appointed by the State, possibly the IRS. Lenders may elect an independent review.		HUD or Contract Administrators appointed by HUD.	Bond Issuer or Independent Third-Party Reviewer; Trustee may elect to review; and the IRS.
Noncompliance Consequences	Recapture of credits claimed. Noncompliance generally on a building basis. However, should the project draw below the minimum self-side (20% or 40% per owner's election) the entire project will be effected. State sets correction period; reported to IRS as corrected or not corrected.			Loan loses its "tax-exempt" status and becomes taxable from day one of loan. Noncompliance issues are "project-based" thereby affecting the entire project. Generally given 60-day cure period by Issuer or Trustee.
Verification of Income and Assets	Third Party documentation Annually - Follows HUD Handbook 4350.3 regarding definitions of income, assets, and occupants. - Exempts verifications	Third Party documentation Annually All assets <u>must</u> be verified.	Third party documentation. (4350.3, Section 5-13)	- Follows HUD Handbook 4350.3 regarding definitions of income, assets, and occupants. - \$5,000 asset verification exemption does not apply. - Faxed verifications are

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<p>Verif. Income/Assets Cont....</p>	<p>of assets when household assets do not exceed \$5,000; however, a sworn affidavit attesting to household's assets must be obtained and income from assets included as income. State Agency may require special handling of verifications of income. Refer to State LIHTC Guidelines for verifications of income (some require originals only received via U.S. Mail; as of March 2003, DCA now accepts faxed verifications of employment, provided DCA's verification of employment form is used.)</p> <p>Accepts Public Housing Authority's (Section 8 offices) verification of income (must be received prior to move-in). Watch effective date shown on Section 8 verification, as verifications are valid for 90 days.</p>	<p>DRAFT</p>		<p>generally accepted; refer to Regulatory Agreement and Issuer's Bond Guidelines for requirements. Does not generally allow for verification through Section 8 Offices as an acceptable form of verification of tenant's income.</p>