

Determining Acceptability of Source of Income

An applicant applies to live at your property.
The only source of income is a monthly parent gift.

Will this type of income suffice to satisfy the minimum income requirements of Two Times the monthly rent?



Tax Credits



Although compliance will require this type of income to be counted when determining eligibility, your supervisor may require that the income be from a more guaranteed source.

HUD



No Minimum income requirements

RD



You may not accept an applicant with zero income, however the gift income qualifies.

Lease Terms

You and your supervisor would like to offer lease renewal terms to ensure that 70% of your leases expire between May and July.



Tax Credits



There are legitimate business reasons to stagger leases after the initial term.

Compliance rules require first lease to be at least 6 months

Thereafter any lease term or MTM is acceptable.

NOTE: Recertification will still be due on the anniversary of Move-In

HUD



Compliance rules require first lease to be at least 12 months, however the resident may break the lease at any time with a 30-day notice.

RD



Charging for Additional Income Items

You and your supervisor would like to charge a premium rent for a “view” apartment home on your property



Tax
Credits



Compliance rules require that non-voluntary fees be included in the calculation of max rent.

In some markets, properties have not been able to get to MAX rents, so as long as the “view” upcharge does not put the unit over MAX rent this is acceptable

HUD



There is a set contract rent per floorplan with these programs.

Additional charges are not permitted.

RD



Transferring Between Units

A resident in a 2-bedroom unit wants to transfer to another 2-bedroom unit on your property because it is in a building that is closer to the clubhouse.



Tax
Credits



The household will need to re-qualify as a new move-in in order to transfer from one building to another.

Your supervisor may require that this transfer can only take place at the end of the current lease

HUD



Transferring between units of the same size without an approved reasonable accommodation request is not permitted.

RD



Charging Transfer Fees

Your supervisor has approved a transfer of a household from a 2-bedroom to a 3-bedroom unit. You would like to charge a transfer fee to the household.



Tax
Credits

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Transfer Fees are not permitted

Application Fees

You would like to increase your application fee from \$25 per person to \$50 per person



Tax
Credits



Check with compliance first!
Maximum application fees depend on the state, but generally cannot exceed actual out of pocket third party costs.

HUD



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Application fees are not permitted

Common Area Use Charges

As a new amenity you have decided to let residents rent out the clubhouse on weekends for birthday parties!



Tax
Credits

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Compliance rules do not permit charging for common area use.

Employees Living On-Site

Your maintenance foreman would like to live on-site



**Tax
Credits**



If you have an exempt unit:
The employee will not need to income qualify

If you do not have an exempt unit:
The employee must income qualify the same as any other household

HUD



If you have an exempt unit:
The employee will not need to income qualify and will not receive subsidy.

If you do not have an exempt unit:
In order for your foreman to skip the affordable waitlist and receive subsidy, this must be approved by compliance .

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Adding/Changing Lease Provisions

You and your supervisor would like to implement a crime and drug free addendum at your property.



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Credits

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Always check with compliance before changing any part of the lease.

Eviction Notices

The resident in unit 4a is driving you crazy. You are pretty sure she is running a daycare in her apartment because she has so many kids and everyone is always complaining about the noise level in her apartment and the fact that she never picks up after her pet.

Rather than go through an expensive eviction you have decided to just non-renew her lease when it comes up in June.



Tax

Credits



HUD



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Notices for eviction or non-renewal on affordable properties can only be sent for cause and must meet state law procedures.

Always carefully document all lease violations and follow-up.

Security Deposit Policies

An applicant's security screening report comes back with negative landlord and a really high debt ratio. You are going to charge them the maximum amount of security deposit listed on your rental criteria.



Tax
Credits



As long as you use the same methods for each applicant, you may charge the maximum amount of security deposit to an applicant with a negative credit screening

HUD



The security deposit is equal to one month of the Tenant Total Payment and cannot be changed due to negative credit screening

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Renewal /Recertification Notices

These are basically the same thing and as long as they go out at least 60 days in advance, we have covered what we need to do on the management side of things.



Tax
Credits



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The two notices are completely different and compliance rules govern the notices and timing.

Number of Tenants Per Unit

If a one-person household wants to rent a 3-bedroom apartment and qualifies under both the minimum and maximum income guidelines, then they can rent the 3-bedroom unit.



Tax
Credits



Check with compliance to make sure that there are not minimum occupancy restrictions on your property.

If not, then this is acceptable on a tax-credit property

HUD



These programs do not allow initial occupancy to be under or over- housed.

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Accepting Section 8

You have had issues with several residents who have a section 8 voucher so you have decided to stop participating in the program.



Tax
Credits

HUD

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A requirement of all affordable housing is that all qualified tenants must be accepted including Section 8 voucher holders.

Income Calculations

You receive the EV back on an applicant and it reads. \$11 per hour and hours are 20-30 per week.

You should calculate the income using $\$11 \times 25 \times 52$.



Tax
Credits



Tax Credit properties maximize the income when given a range.

*If this puts the household over-income and they disagree, you may clarify with the employer and use actual paystubs to substantiate their claim.

HUD



HUD properties use an average with given a range of hours

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Asset Calculations

Your applicant has the following assets:

Checking account:

6 month avg bal = \$1,800 and interest rate is 0%

401K:

Balance = \$3,500 and quarterly earnings on last statement were \$20.83

At the current imputed rate of .06% the income that will be counted will be \$3.18.



Tax
Credits

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The only time that the imputed value is used is when the actual income on the assets is lower than .06%