



100% Tax Credit Properties Recertification Packet

As part of the Housing and Economic Recovery Act of 2008 (HERA) legislation was passed that removed the requirement for annual recertification of a household's income and assets in 100% Affordable Tax Credit properties. In response to the new legislation Idaho Housing and Finance Association has adopted the policy that all Tax Credit households must complete the first year recertification, and an Annual Recertification Packet (AR) each year thereafter. The AR packet is a self-certification of income and assets, household composition, and household student status. This packet along with other useful forms pertaining to the Tax Credit program may be found on our website at http://www.ihfa.org/multifamily_housingcompforms.asp. Please remember that the AR packet may only be used in 100% Affordable Tax Credit Properties.

The "Bright Line" Test

The "Bright Line" is an IRS concept related to the audit process. It suggests that non-compliance corrected prior to an audit is not considered non-compliance. The "Bright Line" is established by the date of the Idaho Housing and Finance Association's letter giving the Owner/Agent notice of an impending compliance review.

Example 1:

During a pre-inspection on 3/1/2009 an Owner/Agent discovers a resident has not been recertified on time. While working on the recertification, the Owner/Agent receives notice of a compliance review on a letter dated 3/12/2009. The Auditors choose that particular file in which the Owner/Agent has completed the recertification on 3/10/2009. Because the Owner/Agent completed the recertification before the letter date, the unit is compliant.

Example 2:

In the same scenario as above, if the Owner/Agent has a difficult time receiving the verifications back from employers and does not complete the certification until 3/20/2009. The recertification is considered late because the "Bright Line" was crossed and a Form 8823 is submitted to the IRS

Please note that this is new guidance as before Owner/Agents were able to complete recertifications prior to the Auditors' arrival. Now the "Bright Line" or letter date must be noted when completing late recertifications.

In This Issue

- ◆ 100% Tax Credit Properties Recertification Packet
- ◆ 2009 Idaho Conference on Housing
- ◆ "Ask the Expert" FAQ's
- ◆ Bright Line Test
- ◆ Top Five Common Findings During a Review

Top Five Common Findings During a Review

1. Inaccurate or incomplete TIC
2. Under \$5,000 form not completed correctly
3. Incomplete verifications/failure to follow-up with clarification forms
4. Bathroom sink drain stoppers and drain pulls missing or inoperable
5. Indoor/outdoor light covers missing or broken

IHFA Website Updates

The Idaho Housing and Finance Association's Compliance Department has recently updated our website. We have added a new section called Forms and Guidance where all new verifications and information will be listed. A link remains Manuals and Limits which contains the IHFA Tax Credit Manual and HOME Program Guidebook, along with updated income and rent limits for each program. Check out our new look on the Web at www.ihfa.org/



Doubletree Hotel Boise – Riverside
Monday, October 19th
and Tuesday, October 20th

Early Registration
(Payment received by September 4, 2009)
\$100 Nonprofit
\$150 Regular
www.2009HousingConf.com

Thank you to our major corporate contributors



For a complete list of contributors, see conference Web site.

Register today to attend the 2009 Idaho Conference on Housing!

This year's action packed conference will provide you with an opportunity to network with hundreds of housing industry attendees who will explore the challenges and changes shaping the housing industry, discuss relevant and timely housing topics, and discover where we go from here as an industry. You won't want to miss the thought-provoking keynote speakers and workshop presenters!

Here are just a few of the exciting workshop sessions being planned:

- Housing Crisis and Future Impacts
- Keeping Up with Statewide Growth
- Strategic Marketing in Changing Times
- Building Green from the Ground up
- The Art of Leadership

Visit the conference Web site for a complete list of workshop sessions.

Register today by visiting www.2009HousingConf.com or call IHFA's Public Affairs Department at 208-331-4884.

Become a Conference Sponsor or Exhibitor Today!

A wide range of sponsorship opportunities are still available so become a conference sponsor today and receive significant recognition for your investment. We thank the many sponsors who help make this conference one of the only major housing events in Idaho. Also exhibit your products and services at the conference tradeshow. Space is limited so reserve your space today. Visit www.2009HousingConf.com.

“Ask the Expert” FAQ’s

Got questions? We have answers! Please submit any Tax Credit or HOME questions to your Auditors, Becky or Andrew at beckym@ihfa.org or andrews@ihfa.org. Look for answers to your questions in each newsletter.

Tax Credit Compliance Contacts

Sheryl Putnam, Housing Compliance and Program Support Manager

Phone: (208) 331-4821 Email: sherylp@ihfa.org

Becky Miller, Tax Credit Compliance Auditor

Phone: (208) 331-4787 Email: beckym@ihfa.org

Andrew Schank, Tax Credit Compliance Auditor

Phone: (208) 331-4786 Email: Andrews@ihfa.org

Erin Shelton, Housing Compliance Administrative Support

Phone: (208) 331-4733 Email: erins@ihfa.org

