

MISSISSIPPI HOME CORPORATION

2024 Compliance Monitoring Plan

SUMMARY OF UPDATES

Effective June 1, 2024

IMPORTANT NOTICE: Included in this Advisory is a summary of major changes and/or examples to the HTC Compliance Monitoring Plan. Minor updates, additions, clarifications, unintentional omissions, and grammatical errors have not been identified in this Summary.

GENERAL POLICIES & PROCEDURES			FORM UPDATED?
Revised.	Compliance Status Verification (CSV) Request	~ Must be received by the Compliance Department at least 45 business days prior to the commencement of the HTC Allocation cycle. ~ Black-out period: November 15 - January 31st annually	YES
Added	Multiple Building Election	~ Must be filed with the Compliance Department at the commencement of Quarterly Reporting in the absence of IRS Form 8609 to reflect INTENT regarding building treatment	YES
NEW	Management Co. Change Request Policy	~ Management Co. Change Request Policy. <u>Key Provisions:</u> Requires pre-approval no less than 45 days of the change effective date. \$500, per property/request. Processing fee will double if pre-approval is not acquired. Member of new company must be LIHTC certified with an active LIHTC training certificate. New Management Co. must be licensed in the state of MS and in good standing.	YES
Revised	Communication Policy	~ ALL communication with the Compliance Department should be initiated via the compliance email: compliance.htc@mshc.com. It is no longer required to copy your assigned Compliance Officer.	N/A
NEW	Electronic Signature Policy	~ The Corporation will accept and permit the use of electronic signatures provided that 1) the electronic signature software has the capability to audit or authenticate the signature, and 2) there are no existing restrictions imposed by State or Federal law.	N/A
NEW	Tenant Selection Plan Policy	~ <u>Mandatory Guidelines</u> requiring inclusion of verbiage addressing: VAWA/Protections, Waiting List Policy, Unit Transfer Policy, Special Needs Housing Leasing Preferences, Criminal History/Background Check, and Unlawful Evictions. Policy must available for MHCs review upon request.	N/A
NEW	Authorized Signatory Policy	~ An Authorized Signatory will be allowed to execute/remitt <u>general</u> communication on the behalf of the owner/ownership entity with official correspondence (ownership schematic, Bylaws, Resolutions, Amendments). An owner/authorized agent is required to execute official owner reports or other documents required by MHC as determined.	N/A
Revised	Fee & Penalties Schedule	~ Added to General Policies & Procedures section of the CMP; Removed from Chapters 9 & 11	N/A
		~ Missed (Late) Deadline Fee: \$100 per day (first 5 days); \$250 per day (6-15); \$500 per day (16-30)	N/A
		~ Initial / Subsequent Review Fees: 1R: \$110 per hour (first 5 days); \$250 per hour (6-15); \$500 per hour (16-30)	N/A
		~ Updated to include all applicable fees/fee types	N/A
NEW	Important Dates & Deadline	~ Schedule of important dates & deadlines added reflecting annual requirements and obligations	N/A
CHAPTER 1: HOUSING CREDIT PROGRAM FUNDAMENTALS			FORM UPDATED?
Updated	Annual Credit Authority	~ Updated to reflect the 2024 data: \$2.90 with a minimum allocation of \$3,360,000.00	N/A
CHAPTER 2: FEDERAL COMPLIANCE REQUIREMENTS			FORM UPDATED?
Added	Minimum LI Occupancy Set-Aside	~ Average Income added as a set-aside reference. Not currently recognized at MHC	N/A
Revised	Staff Units	~ \$500 fee applicable for any request type	YES
		~ Only one request may be remitted, per year; Exception allowed in emergency situations	N/A
Revised	Unlawful Evictions	~ Written documentation supporting the reason for the eviction, including a copy of all infractions, community rules, etc. must be maintained and available for review upon request.	N/A

MISSISSIPPI HOME CORPORATION

2024 Compliance Monitoring Plan

SUMMARY OF UPDATES

Effective June 1, 2024

CHAPTER 3: STATE COMPLIANCE REQUIREMENTS			FORM UPDATED?
Added	Set-Asides	~ For all set-asides, the minimum required special needs unit must be met by the end of the initial lease-up period.	YES
Revised	Veterans	~ Definition of Veterans. Housing for Veterans is defined as a household that includes one or more persons <i>that is eligible for Veterans benefits as documented by the United States Departments of Veterans Affairs.</i>	N/A
Added	MAOI	~ The MAOI individual must be either the head of household or an adult in the household with a mental illness as defined and accepted by Mississippi's Department of Mental Health. Written documentation (i.e. Referral Form from the Referral Network Partner listed in the HTC Application) should be maintained in the resident's file.	YES
Revised	MOU	~ If a change in partnership between the owner and the Referral Network Partner occurs at any point, a copy of the executed Memorandum of Understanding (MOU) must be provided to the Compliance Monitoring Department within 30-days of said change .	N/A
Added	Special Needs Populations/Marketing	~ Owners must notify the general public via general circulation advertisements (i.e., newspapers, television, radio, or Internet) <i>in the area of the development and/or frequently visited places of the targeted population</i> . Advertisements should include: Date, Name of Publication, Name/Address of Development, Contact Person Information, Targeted Population	N/A
		~ A waiting list, a <i>special needs housing log</i> , and <i>all rejected applications</i> should also be maintained.	YES
		~ At reporting, if the sufficient number of special needs units has not been met, the owner must provide documentation from the approved partnering agency stating that no referrals were available. This documentation must be provided to the Corporation with the applicable compliance reviews.	N/A
		~ Failure to meet Special Needs Set Aside is not an 8823 reportable event; however, it is considered a serious state noncompliance event which can lead to program suspension or disbarment.	N/A

CHAPTER 4: DETERMINING & DOCUMENTING HOUSEHOLD ELIGIBILITY			FORM UPDATED?
Revised	Household Composition	~ Definition of who constitutes a household updated. Foster Child/Adult <u>not</u> considered a household member; Associated income also not counted.	N/A
Revised	Students	~ Calculation of income for students updated to align with HOTMA; Financial Assistance provided by HEA is excluded; All other financial assistance counted. ~ Verbiage referencing \$480 earned income of FT dependent student revised to align with HOTMA; deduction to be adjusted annually for inflation.	YES N/A
Updated	Income Support Documentation	~ Reference to HOTMA added throughout, where applicable	N/A
Revised	Tenant Income Certification	~ Revised to include HUDs current passbook rate (0.40%) & \$50,000 Asset threshold.	YES
Revised	Resyndication Policy	~ Verbiage added regarding commitment in light of two LURAs - must adhere to all requirements. ~ <i>Income</i> - Existing households are grandfathered in based on their original certification. Income limits at the time of the new credit are not relevant to the household's status under the new credit. A copy of the initial certification and income support documentation must be pulled forward to the new credit file. Additionally, a safe harbor test is to be conducted on current income/household composition. ~ <i>Rent</i> - the rent of an existing household must comply with current rent maximums. ~ Student - the student status must be reconfirmed in order to determine eligibility. Note: Grandfathered status of income does NOT apply to student eligibility. ~ A copy of the approved Relocation Plan and current Rent Roll must be on file with the Compliance Department within 30 days of notification of the new credit award. Quarterly reporting will be required of the old award, commencing the 15th day of the month following the quarter ending.	N/A N/A N/A
		~ Compliance monitoring (including EUP fees) and reporting will continue (e.g. business as usual) until written notification is received advising otherwise from the Compliance Department.	N/A
Revised	Recertification	~ Automatic recertification waiver to <i>commence at year three (3)</i> of a household's eligibility.	N/A

MISSISSIPPI HOME CORPORATION

2024 Compliance Monitoring Plan

SUMMARY OF UPDATES

Effective June 1, 2024

CHAPTER 5: INCOME & ASSET DETERINATION AND RESPONSIBILITIES			FORM UPDATED?
Revised	Annual Income	~ Definition of Income/Assets to align with HOTMA. Verbiage updated throughout Chapter. Annual income is redefined as all amounts not specifically excluded in the HOTMA Rule received from all sources by all members of the family who is 18 years of age and older OR is the head of household, spouse of HOH, plus unearned income by or on behalf of each dependent [minor] who is under 18 yrs of age.	N/A
Revised	Verification of Annual Income	~ Tax credit regulations require the verification of all regular sources of income, including asset income over \$50,000 for all household members age 18 and older, including emancipated minors. (HOTMA 2016 Provision)	YES
Revised	Tenant Release & Consent Form	~ Before attempting to verify income, a Tenant Release and Consent form must be acquired from <u>each</u> household member age 18 and older, including emancipated minors, granting an owner/management agent authorization to verify personal information. A Tenant Release and Consent form must be acquired once at the time of application, except: <ul style="list-style-type: none"> ~ When any adult (age 18 & older) joins the household; ~ When a member of the household turns age 18; ~ Unit transfer, relocation or resyndication; ~ Revoked in writing by the household 	YES
Revised	Methods of Verification	~ HUDs Order of Verification acceptability must be followed when applicable. Written documentation detailing failed attempts must be acquired and documented in the tenant file before utilization of an alternative method of verification can be used: (HOTMA 2016 Provision)	NO
	Tax Returns	~ Checking Account Balance can be verified using a minimum of one statement ~ Tax Returns that includes all W2s, schedules, attachment and third-party receipt of transmission are deemed an acceptable form of written third-party verification.	N/A N/A
	Range of Hours Worked	~ When a range of hours is given, calculate the annual income using the average hours worked .	N/A
	Alimony/Child Support	~ The anticipated amount of child support income to be calculated is to be based on the <u>average</u> receipts over the prior 12-month period.	YES
	Alimony/Child Support	~ Anticipated child support benefit payments without historical documentation of receipts and/or efforts are to be calculated using the full obliged child support payment	YES
	Gifts	~ Gifts that are provided to the family on a regular and routine basis (e.g, a relative or friend provides a member of the family cash gifts on a weekly or monthly basis) would be included in income.	YES
	In-Kin Donations	~ Non-monetary, in-kind donations (e.g., food, clothing, or toiletries) received from a food bank or similar organization is excluded from a household's gross income calculation.	YES
	Workers Compensation	~ Payments excluded from income.	YES
	Retirement/Trust Account	~ Excluded from net family asset/income (few exceptions for trust accounts)	NO
	Civil Rights Settlement or Judgments	~ Income received during the 12-month period following the effective date of the certification resulting from a civil rights settlement or judgment is not included in a household's gross income calculation.	YES
Revised	Asset Income - Less than \$50,000	~ Assets Under \$50,000: If the total cash value of all assets is \$50,000 or less (as adjusted annually for inflation), an owner is to include the <u>actual income received</u> from the asset (i.e., monthly, quarterly, or annual from interest checks, dividend checks, etc.) in its total gross household income calculation. The anticipated amount of actual income may be verified via a household's completed Self-Certification.	YES
Revised	Asset Income - Greater than \$50,000	~ Assets Greater than \$50,000: If the total cash value of all assets exceeds \$50,000 (as adjusted annually for inflation), an owner is to include the actual income received from the asset (i.e., monthly, quarterly, or annual from interest checks, dividend checks, etc.) in its total gross household income calculation. The anticipated amount of actual income must be verified via a written third-party verification and include at least one (1) support statement, per source.	YES

MISSISSIPPI HOME CORPORATION

2024 Compliance Monitoring Plan

SUMMARY OF UPDATES

Effective June 1, 2024

Revised	Asset Income - Imputed Income	~ The imputed income (based on the current passbook rate) on net family assets exceeding \$50,000 must be calculated only if no actual income can be determined . * If the actual income can be computed on some assets, but not all, the anticipated income for these sources must be calculated using actual income and the remaining asset must be calculated using imputed income.	YES
Revised	Student Financial Assistance	For all households with a student(s) pursuing a secondary education, student financial assistance must be evaluated (not only Section 8 assisted households) for potential additional income.	
		~ All forms of student financial assistance (i.e., grants, scholarships, educational entitlements, work-study programs, and financial aid packages) are <u>included</u> in annual income except for students receiving assistance under Section 479B of Title IV of the Higher Education Act (HEA) AND Bureau of Indian Education. Common examples of financial assistance include: Federal Pell Grant, Work Study, Perkins Loan, Tribal Grant, etc.	YES
		~ Student financial assistance does NOT include any amount of the scholarship or grant (either by itself or when in combination with the excluded financial assistance under 479B of the HEA), that exceeds the actual cost of tuition, books, and supplies, room and board, or other fees required and charged to a student by the education institution, and for a student who is not the head of household or spouse.	YES

CHAPTER 6: GROSS RENT DETERMINATION

Revised	Utility Allowance Approval Request	~ Processing time adjusted to 45 days of complete submission request. UA Approval Checklist Added.	FORM UPDATED? N/A
NEW	Changes in Rent - Rental Increases	~ Only one increase allowed per year – not to exceed 5% per year	N/A
Added	Rental Overage	~ Written acknowledgement of Awareness of Rental Overage refund required, when applicable.	N/A

CHAPTER 7: COMPLIANCE REPORTING & ADMINISTRATIVE RESPONSIBILITIES

Revised	AOC/DFAR Reporting	~ Reports Combined. New/revised forms. Refer to Website for a complete list of updates/forms.	FORM UPDATED? YES
Revised	Physical Condition Standards	~ Physical condition standards and severity ratings updated to align with HUD’s National Standards for the Physical Inspection of Real Estate (NSPIRE), three inspectable areas focused on Outside, Inside and Units.	NO
Revised	Compliance Training	~ Compliance <u>renewal</u> training required every <u>two years</u> after evidence of initial training for each owner/management team member responsible for overseeing an affordable LIHTC development.	N/A

CHAPTER 8: POST YEAR 15 COMPLIANCE PROCEDURES

Revised	Monitoring Procedures	~ During a development's EUP, a review of the tenant records and physical condition of the units will be conducted every three (3) years.	FORM UPDATED? N/A
----------------	-----------------------	---	----------------------

CHAPTER 9: PROPERTY DISPOSITION & TRANSFERS

NEW	Building Disposition/Transfer	~ Checklist of requirements must be included with submission of each building disposition/transfer request ~ Request for Approval will not commence until receipt of a complete building disposition/transfer packet. ~ Penalties added: Transfer fee doubles, plus suspension/disbarment for up to 48 months following incident	FORM UPDATED? YES
NEW	Qualified Contract	~ Proposed Sales Price to be determined by MHC (or hired affiliate); Security deposit will be required to cover cost (\$10,000 to \$20,000). Remaining funds to be returned/refunded. ~ Request may be remitted via email to the Compliance Department at compliance.disposition@mshc.com from July 1 - September 30th annually.	N/A
Removed	QCT Fee & Penalties Schedule	Moved to General Policies & Procedures	N/A
Revised	Single-Family Lease Purchase	~ Policy under Revision; Will be updated in the official release of the CMP	N/A

MISSISSIPPI HOME CORPORATION

2024 Compliance Monitoring Plan

SUMMARY OF UPDATES

Effective June 1, 2024

CHAPTER 10: FAIR HOUSING

NONE.

FORM
UPDATED?
SELECT

CHAPTER 11: NONCOMPLIANCE: PROCEDURES & CONSEQUENCES

Removed Fee & Penalties Schedule Moved to General Policies & Procedures

FORM
UPDATED?
N/A