

Compliance Connection

Spring/Summer 2017

a publication of Mississippi Home Corporation

Greetings! I hope your spring is going well as we enjoy longer daylight hours and warmer temperatures. This winter was a mild one for most of us.

I would like to take the opportunity to thank all of you who attended our annual housing conference in Biloxi, April 11-13. A regional property manager communicated to me recently that the compliance monitoring portion of the conference has always been very well attended. Staff is very appreciative of your attendance and support given over the years. It serves as positive reinforcement and motivation to do our best in presenting sessions that would be of benefit to owners and managers in their day to day compliance monitoring operations.



Robert D. Collier
HCCP, SHCM, FHC
Senior Vice Pres. of
Program Compliance

The affordable housing industry will look to Washington as Congress tackles tax reform and approving the new administration's budget package. Uncertainty exists with tax credit pricing of proposed tax credit developments as the development and equity communities anxiously await the direction Congress takes since the last major legislation passed with the Tax Reform Act of 1986. Members of Congress and President Donald Trump have proposed reducing the corporate tax rate to 15% to 20% from the current 35%, limiting the attractiveness of credit investors such as big banks and insurance companies receive to offset income taxes.

Congress passed the FY 2017 spending package funding the federal government until September 30th. The President is expected to sign the bill. The HOME funding allotment remains at \$950 million, \$10.8 billion for project-based rental assistance which is enough to fully fund all expiring project-based assistance contracts and \$18.36 billion for Section 8 voucher renewals, enough to fully fund existing vouchers. Both houses of Congress have introduced legislation to protect the housing credit program that gives tax credits to businesses that create jobs and other economy boosters in low-income communities (see more on the proposed legislation in the HTC in the News feature inside this newsletter edition).

The deadline to submit Annual Owner Certification reports has come and gone (May 1st). Staff is in the midst of reviewing reports. The 2017 income limits released by HUD on April 14th become mandatory on May 29th. The next training event will be the DFAR webinar scheduled for June 1st. On-site file reviews should resume in late June or early July.

How to Read a Military LES

Around the state, Mississippi has several active military and guard bases from the Gulfport/Biloxi area to Columbus. According to the Defense Manpower Data Center, there are about 9,568 on active duty, 16,541 in reserves and 2,354 military civilian employees in Mississippi as of March 2016. The HUD Handbook 4350.3 notes income for the head, co-head or spouse must be counted even if they are deployed. If a service member leaves a spouse or dependent in the household, even if they did not originally live with the household, the income of that service member must be counted in full even if they are not the head, co-head or spouse.

For employment income, a verification of employment and at least one check stub is requested. Many make the mistake of acquiring only one leave and earning statement (LES) as verification. Please note that an LES is a military check stub. As a result, at least four LES would be needed if employment verification cannot be obtained. Service members may printout their most recent paystubs from <https://mypay.dfas.mil/mypay.aspx>. The LES is quite different from a regular employment check. As a result, it's

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UPCOMING EVENTS

June 1

Development Financial Analysis Report
(DFAR) Webinar

June 20-23

NCSHA 2017 Housing Credit Connect
Conference (Atlanta)

June 28-29

HTC Fundamentals
(Senatobia, MS)

July 17

Second Quarter
Occupancy Report Due

August 16-17

HTC Fundamentals
(Gulfport, MS)

August 31

DFAR Due

October 16

Third Quarter Occupancy Report Due

November 7-8

HTC Fundamentals (Pearl, MS)

HTC IN THE NEWS

In March, Representatives Pat Tiberi (R-Ohio) and Richard Neal (D-Mass) introduced the Affordable Housing Credit Improvement Act of 2017 (H.R. 1661). The bill is companion legislation to S.548 introduced by Senators Maria Cantwell (D-WA) and Orrin Hatch (R-UT) in 2016. The bill would rename the Low-Income Housing Tax Credit program to the "Affordable Housing Tax Credit Program". H.R. 1661 proposes over 20 changes to the current HTC program. The following are some of the proposals that would affect compliance monitoring of the program.

The bill would create a new test that would allow the 60% of AMI ceiling to apply to the average of all units within the project instead of a ceiling for each individual unit. The maximum income to qualify a unit would be 80% of AMI. The hope is that the rents paid by higher income households would offset the lower rents paid by the extremely low income households.

The bill would also allow properties in the rural areas financed by tax-exempt bond financed properties to utilize the national non-metro limits. The proposal would hopefully make bond-financed projects more feasible in rural areas.

Another revision would simplify the current full-time student rules by indicating that households comprised of adult students under the age of 24 who are enrolled at an institution(s) of higher education are ineligible. Most of the current full-time student exceptions would be maintained with new ones such as for veterans, the disabled and formerly homeless youths.

Lastly, in certain situations, the proposal requires that tenant-based voucher payments be included in the gross rent calculation.

Stay tuned as we track this bill.

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For more info, go to
MSHomeCorp.com

Flooring Choices Matter

by Derrick Lee

When considering flooring, a lot of folks spend tons of time debating whether hardwood, linoleum, carpet or vinyl composition tile is right for their space and budget. With the multitude of flooring options, affordable housing developers can choose flooring that positively affects health, cost, energy and the environment.

Carpet is one of the most well-used items in a tax credit development and can become very dirty over time. The rule for some apartments is to change the carpet and paint after every household moves out. The Department of Housing and Urban Development has set guidelines of seven years for replacement of carpet in rental units. Modern carpets are fairly durable, but after 4 or 5 years, you can start to see them lose their color and texture. The carpet fibers may not have the same flair it once had and you see matted-down patches.

Moisture, mold, and dust can trigger conditions such as asthma attacks.

Carpet, particularly with a sponge-like pad below it, can retain moisture if it gets wet and is often difficult to clean in a manner that adequately removes dust. Changing the carpet improves air quality immediately. Flooring with smooth, hard surfaces are unlikely to retain moisture and dust and are relatively easy to clean which will help reduce such health conditions in tenants.

Below you will see a summary table of traditional, better and best flooring options. The “Better” option seeks to reduce asthma triggers by increasing the use of smooth and cleanable surfaces that are less likely to retain allergens that trigger asthma (moisture and dust), and are easier to maintain while still providing first cost affordability. Moving from “Better” to “Best,” a greater emphasis is placed on life cycle cost, instead of first costs, and overall environmental impacts during occupancy and production of the flooring material.

Area	Traditional Flooring Choices	Better	Best
Entry	Nylon Carpet	Linoleum	Ceramic Tile
Entry (if below grade)	Nylon Carpet	VCT or Linoleum	Ceramic Tile or Stained Concrete
Kitchen	Vinyl	VCT or Linoleum	Ceramic Tile
Living room	Nylon Carpet	Wood Laminate	Wood Floor
Dining Room (if part of kitchen space)	Vinyl	VCT or Linoleum	Ceramic Tile
Dining room (if part of Living Room space)	Nylon carpet	Wood laminate or Linoleum	Wood Floor
Bathroom	Vinyl	VCT or Linoleum	Linoleum or ceramic tile
Bedroom #1	Nylon Carpet	Linoleum with area rug or wood laminate	Wood Floor
Additional Bedrooms	Nylon Carpet	Nylon Carpet or VCT with area rug	Linoleum with area rug or wood laminate



COMPLIANCE TIP

Having a detailed income calculation sheet should help clarify any income discrepancies an auditor may have. The sheet should break down income, especially employment income, on every level. For example, base pay should be listed as $\$9/\text{hr} \times 40\text{hrs}/\text{wk} \times 52\text{wks}/\text{year} = \$18,720$ rather than as $\$18,720 \times 1 = \$18,720$.

How to Read a Military LES

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important to know which fields are pertinent to calculating income.

On the LES pictured, fields 1-9 identify information about the service member. Grade indicates the service member's current pay grade (rank). A member's basic pay is determined by a member's rank and length of service (#5 Yrs Src). This information can be found at www.militarytimes.com/money. Based on the provided data, the pay calculator will list the basic pay, basic allowance for subsistence (BAS), basic allowance for housing (BAH) and cost of living allowance (COLA).

Field 4, pay date, is the pay the member entered active duty for pay purposes and is formatted as YYMMDD. In other words, pay date is generally considered the "date of hire" in the civilian world. ETS is the Expiration Term of Service/Expiration of Active Obligated Service. This date will be written as YYMMDD. Branch lists the branch of service (i.e. USMC, Army, Air Force, Navy, and Coast Guard). Period Covered is the statement period that the LES covers. Entitlements will list all entitlements and allowances for a specific period. Allotments are less common and are not used for reserve and National Guard members.

Field 13 + AMT FWD: The amount of all unpaid pay and allowances due from the prior LES.

Field 14 + TOT ENT: The total of all entitlements and/or allowances listed.

Field 15 -TOT DED: The total of all deductions.

Field 16 -TOT ALMT: The total of all allotments.

Field 17 = NET AMT: The dollar value of all unpaid pay and allowances, plus total entitlements and/or allowances, minus deductions and allotments due on the current LES.

Field 18 - CR FWD: The dollar value of all unpaid pay and allowances due to reflect on the next LES as the +AMT FWD.

Field 19 = EOM PAY: The actual amount of the payment to be paid to the member on End-of-Month payday.

Fields 20 - 22 TOTAL: The total amounts for the entitlements and/or allowances, deductions and allotments respectively.

Fields 33 through 38 contain information about federal taxable income and withholdings. Fields 44 through 49 contains state tax information. Fields 50 through 62 contain what is called additional pay data. BAQ Type: type of basic allowance for quarters

See Pictures on next page for reference.

being paid (i.e. BAH). BAQ Depn: Where dependent information is listed.

Rent amount field (#53) is the amount paid for rent housing, if applicable. Keep in mind that this is countable income and may change if the service member is moving to a new area.

The TPC field is not used by any active-duty personnel. Reserves and Guard will find this field used to identify Training Program Codes. Members of the National Guard or Reserves perform 12 weekend drills and 14 days of annual training each year. Depending on the rank and branch, they may also be paid for additional work/training. Unlike active duty personnel who are paid semi-monthly, the guard and reserves are paid on a monthly basis.

Fields 63 through 75 contain information about the Thrift Saving Plan, the retirement plan for participating members. TSP should be verified and counted like other 401(k) accounts.

YTD entitlements field (# 77) is essential to calculating income. When annualizing YTD income, steer away from using field 34 or 46. The wage YTD listed in these two fields only show wages that are taxable for the federal and state income taxes. For example, in the finished example picture, the YTD entitlements is over \$27,000 but the federal wage YTD is only shown as a little over \$13,000. Had one used the federal wage YTD to annualize income, the household may have been deemed qualified when they may have been over income. Just because an income is not taxable does not mean it is not countable. All military income (entitlements) with the exception of hostile fire pay should be counted as income. Hostile fire pay is incentive pay for duty under hostile fire to a person assigned or deployed to a combat zone. Currently, the pay is paid at \$225 per month.

Military pay can be complicated. Hopefully, with this guidance, interpreting and calculating military income will be easier.

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																											
ID	NAME (LAST, FIRST, MI)				SOC SEC NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED															
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY															
TYPE		AMOUNT		TYPE		AMOUNT		TYPE		AMOUNT		+AMT FWD															
10				11				12				13															
												14															
												15															
												16															
												17															
												18															
												19															
TOTAL		20		21		22		23		24		25															
LEAVE		26		27		28		29		30		31															
FICA TAXES		32		33		34		35		36		37															
PAY DATA		38		39		40		41		42		43															
Thrift Savings Plan (TSP)		44		45		46		47		48		49															
REMARKS		YTD ENTITLE		YTD DEDUCT		76		77		78																	

**Picture
referenced in
article**

Finished example

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																											
ID	NAME (Last, First, MI)				SOC SEC NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED															
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY															
Type		Amount		Type		Amount		Type		Amount		+Amt Fwd															
A BASE PAY		2247.30		FEDERAL TAXES		88.46		DISCRETIONARY ALT		1521.00		+Tot Ent															
B BAS		204.43		FICA-SOC SECURITY		139.33		TRICARE DENTAL		11.58		+Tot Ded															
C BAH		1726.00		FICA-MEDICARE		32.59						+Tot Alt															
				SGLI		27.00						+Net Amt															
				AFPM		.00						+Cr Fwd															
				FAMILY SGLI		5.00						+EOM Pay															
				TSP		112.37																					
				MID-MONTH-PAY		1164.47																					
TOTAL		4266.73				1570.22				1532.58																	
LEAVE		25.5		Used		11		ETS Bal		.0		Lv Paid															
FICA TAXES		2247.30		Soc Wage YTD		14402.50		Soc Tax YTD		892.94		Med Wage YTD															
PAY DATA		WDEP		SPOUSE		08641		Share		1		Stat															
THRIFT SAVINGS PLAN (TSP)		Base Pay Rate		Base Pay Current		Spec Pay Rate		Spec Pay Current		Inc Pay Current		Inc Pay Current															
REMARKS:		YTD ENTITLE		27768.11		YTD DEDUCT		2557.92																			
<p>IF TSP ELECTION AMT EXCEEDS NET AMT DUE, TSP WILL NOT BE DEDUCTED.</p> <p>LEAVE CARRYOVER INCREASED TO 75 DAYS FOR FY08. NO ACTION REQUIRED BY MEMBERS. DFAS WILL BEGIN RESTORING AFTER 1 OCT 08.</p> <p>MYPAY HAS ALLOWED MBRs TO ELECT A HARD-COPY LES VIA US MAIL. AF POLICY IS TO PROVIDE AN ELECTRONIC LES. EFF 1 OCT (SEP LES). AF WILL NO LONGER PRINT LES STATEMENTS IF AVAILABLE ON MYPAY. THANK YOU FOR YOUR SUPPORT.</p> <p>IF YOUR SPOUSE WANTS INFO ABOUT THE MILITARY LIFESTYLE WE WITE HANMER TO JOIN US FOR THE NEXT HEART LINK SPOUSES ORIENTATION. LUNCH AND CHILD CARE ARE PROVIDED. CALL YOUR</p> <p>BASE AIRMAN & FAMILY READINESS CTR FOR DETAILS.</p> <p>IF YOU GAMBLE WITH SAFETY...YOU BET YOUR LIFE.</p> <p>ELECTIONS ARE COMING! UPDATE YOUR ADDRESS TO GET AN ABSENTEE BALLOT. REQUEST YOUR BALLOT FOR THE PRESIDENTIAL AND STATE ELECTIONS. SEE YOUR VOTING ASST. OFFICER OR WWW.FVAP.GOV.</p> <p>TSP</p> <p>RATE CHO SGLI 080701(183)</p> <p>CHANGE GRADE 080701(183)</p> <p>BAH BASED ON WDEP, ZIP 08641</p> <p>BANK</p> <p>ACCT #</p>																											

STRAIGHT FROM THE IRS

IRS Releases Population Estimates for 2017

The IRS published on February 27th Notice 2017-19, which lists the 2017 calendar year resident population figures. These figures are used to determine states' 2017 low-income housing tax credit ceiling. Under Rev. Proc. 2016-55, each state's low-income housing tax credit ceiling in 2017 is the greater of \$2.35 multiplied by the state population or \$2.71 million. Mississippi's 2017 calendar year resident population estimate is 2,988,276 multiplied by \$2.35 equals \$7,022,448 in total low-income housing tax credit authority for 2017, not including tax credits returned in 2017 awarded in previous years.

Extended Use Period Properties for Sale

Properties posted for sale in accordance with Section 42 of the Internal Revenue Code. The MHC serves as the tax credit administrator and is required to solicit qualified buyers when requested by the private owner.



Laurel Park
6800 Hwy. 161
Walls, MS
144 Units
Effective: 11/2/2016



Ashton Park III
9254 Cuadet Road
Gulfport, MS
56 Units
Effective: 11/29/2016

2017 Allocation Cycle

Mississippi Home Corporation's 2017 Tax Credit Cycle closed on April 4, 2017. Thirty-one (31) applications were received for a total request of \$16,952,091 and an average request of \$546,842. Applications were for nineteen (19) counties: Alcorn, Chickasaw, Claiborne, Desoto, Forrest, Hinds, Holmes, Jones, Lafayette, Lamar, Lauderdale, Lowndes, Marion, Marshall, Pike, Pontotoc, Rankin, Tate and Tishomingo. Applications were accepted for three set-asides: Non-profit (4), Smaller Credits (8) and Statewide (19). Awards are expected to be announced in August.

Development Name

City

Amber Heights	Edwards
BBSF (Building Back Sandfill)	Columbus
Belle River	Oxford
Brandon Arms	Edwards
Cannonball Ridge	Corinth
Cherry Creek	Pontotoc
Creekwood Lane Apartments	Lexington
Crestview Apartments, Phase 1	Pearl
Crestview Apartments, Phase 2	Pearl
Eastover	Oxford
Elm Grove Apartments	Coldwater
Forest Glen I	Jackson
Forest Glen II	Jackson
Golden Age Apartments	Pelahatchie
Golden Key Apartments	Jackson
Happy Days	Corinth
Hilltop Apartments	Burnsville
McVoy	Horn Lake
Pine Ridge II	McComb
Pine View I	Houston
Pine View II	Houston
Pineview	Purvis
Preservation Crossing	Hattiesburg
Prestige Plaza Apartments	Port Gibson
River East	Columbia
Stevenson Apts.	Meridian
Trace Point	Columbus
Triangle Homes I	Laurel
Triangle Homes II	Laurel
Wendover Park	Columbus
White Oak Apartments	Byhalia

SPOTLIGHT

The Compliance Monitoring Division recognizes the following housing tax credit managers and developments for passing their initial physical and tenant file inspection.

Great job!



LaQuetta Jones
Ambling Management, Inc.

Park Pines Apartments
01-007
Hattiesburg Partners, LP/
Michael Godwin

Park Pines Apartments II
01-004
Hattiesburg Partners, LP/
Michael Godwin



Rudolph Ward Jr.
Sentry Asset Management, LLC

Lowndes Properties
08-5-020
Lowndes Properties, LLC/
C.W. Chapman



Debra Haynes
Hickory Senior Living Management

Magnolia Manor
04-015
Tupelo PCH, LLC/
F.G. Bobo



Adrian London
Sentry Asset Management, LLC

Pine Haven Heights 99
99-001
SE 98/99, LLC/
Clarence Chapman



Christy Reed
Hughes Management Company, Inc.

Winston Place
07-027
Winston Partners, LP/
Chris H. Hughes



Francine Spann
Morrow Realty Company

Cambridge Manor
Apartments
13-1-002
Macon II Elderly Housing,
LP/ David Morrow



Tina Payne
Hughes Management Company, Inc.

Hawthorne Apartments II
13-1-048
Hawthorne Apartments II,
LP/ Chris H. Hughes



Mary Champion
*LEDIC Management Group, LLC**

Park View Estates
09-1-012
Madison County Partners,
LP/ Chip Triplett

Camden Park Apartments II
Madison County Partners
III, L.P./ Mark B. Willson

**At the time Park View Estates and Camden Park were inspected, LEDIC was the management company.*

continued on page 8

NATION HOUSING TRUST FUND (NHTF)

Availability of Funds

The State of Mississippi received an HTF allocation of \$3 million for 2016. MHC will commit 90% of HTF allocation for rental housing and 10% used for administrative costs. MHC will not allocate funds for homeownership activities due to the shortage of rental units for extremely low income (ELI) households and addressing the State's priority needs. HTF funds shall be used for multi-family rental housing that meets the requirements of the Housing Trust Fund. MHC anticipates that funds will be most commonly used with 4% LIHTC bond-financed developments.

Mississippi Home Corporation is announcing the availability of funds through an application period under the National Housing Trust Fund Program (NHTF).

APPLICATION TIMELINE 2017

March 23, 2017 - June 23, 2017 – Application Period, Ninety (90) Days to Submit Completed Application

June 23, 2017 - July 23, 2017 – Threshold, Application Scoring & Feasibility Reviews

July 24, 2017 - July 26, 2017 – Notification of Application (Clarification or Deficiency)

July 26, 2017 - July 28, 2017 – Cure Period Ends at 2:00pm (Clarification/Deficiency Addressed)

July 28, 2017 - July 30, 2017 – HTF Final Review Period/ Committee

July 31, 2017 – Submit Results & Funding Recommendations to Management

August 9, 2017 – Presentation of Funding Announcement to MHC's Board

August 9, 2017 – Funding Announcement (via MHC's Website; Commitment Letters to Applicant; Letter to LIHTC Department)

Applications for the NHTF must be received in the office at 735 Riverside Drive on or before 5:00 p.m. on June 23, 2017. Late applications will not be ranked. It is anticipated that funding will be awarded in Summer-August, 2017.

****Applications for 4% Tax Exempt Bond financed developments will be accepted at any time during the year; however, the HTF's application period is designated for 3/23/2017 through 6/23/2017.

The HTF Allocation Plan and Application for this program may be downloaded from the MHC's Web page at www.mshc.com or by contacting Lillie Naylor @ 601-718-4642 or lillie.naylor@mshc.com.

SPOTLIGHT

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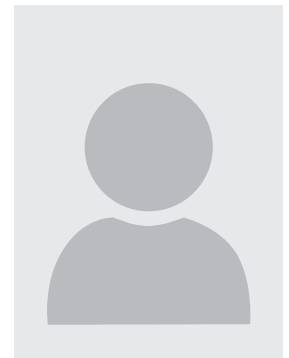
Ruth Thames
*Sentry Asset
Management, LLC*

Wells Place
05-005
Valley View Estates, LLC/
Duke Chapman



Mickie Martin
United Apartment Group

Keystone Estates Keystone Estates II
13-1-039 13-1-040
Agape Partners, LP/ Agape Partners, LP/
Clifton E. Bates Clifton E. Bates



Judge Collins
*United Management &
Development Associates*

Sunset Villas
95-008
Sunset Villas, LP/
Ivory Sims

PHOTO POLL

What are some methods your management company uses to ensure tenants recertify on time?

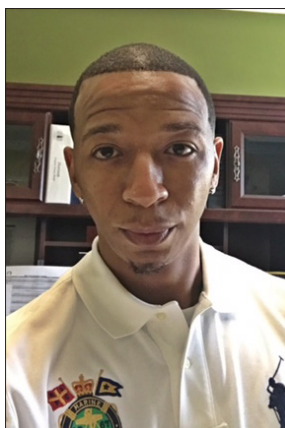
Two of the most effective methods we use are utilizing a tenant lease management board and simply starting the recertification process early. Having a tool that allows you to visually see the tenant, their address, and their lease renewal month, helps to stay organized, save time, and minimize errors. This ensures that neither the tenant nor the manager is rushed to get the required documents and it also ensures that the other parties

have enough time to return the documents needed for the tenants' file.



Chris Parks
Property Manager
United Family Life Village

Ensuring that a resident recertifies on time begins at move in. EPM encourages us to call the residents and knock on their doors to see what we can do to help them get the paperwork completed in time. Sometimes it's just a matter of staying at work late due to some residents working the same hours as the office hours. We are also encouraged to throw a recert party for the residents between the hours of 5pm to 7pm. This allows the residents to get off work, relax, eat and renew paperwork all at the same time.



Tru Dampier
Community Director



Welcome Aboard!

Afi McDonald is native of Jackson, Mississippi and a graduate of Jackson State University where she received a bachelor's degree in Business Administration with a concentration in Accounting. Afi has been with Mississippi Home Corporation since 2015 and transferred from our Hardest Hit Funds division in March. Afi brings with her a wealth of knowledge with over 20 years of accounting experience. She is the proud mother of two daughters and one son. She is a member of Anderson United Methodist Church. She enjoys renovating, organizing, decorating homes, and décor shopping for family and friends.

"I have enjoyed my time at MHC working with a wonderful team as a Hardest Hit Mortgage Specialist. I look forward to the opportunity of continuing with MHC as a Compliance Officer with a new team and gaining knowledge about compliance, guidelines, procedures and just meeting new people."

DFAR Training Webinar

June 1, 2017

For sign-in info,
email Teri Carpenter
teri.carpenter@mshc.com

Who Does Mississippi Serve?

In April of this year, HUD published its third annual report on the demographic and economic data of residents in the housing tax credit program. The information was collected from the state housing finance agencies as required by the Housing and Economic Recovery Act (HERA) of 2008. As a result of HERA, state agencies provide information to HUD concerning race, ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments of households in HTC properties. Although there

are some limitations to the report due to self-reporting by tenants and state agencies, the report "Understanding Whom the LIHTC Program Serves: Data on Tenants in LIHTC Units as of December 31, 2014" still provides great information and insight into the families that we all serve. The HTC program is in all 50 states, District of Columbia and US territories such as Guam, Puerto Rico, and the U.S. Virgin Islands. How does Mississippi compare to the program as a whole?

Comparison of data from 2013 to 2014 LIHTC Data Submissions

	HTC Properties PIS Database				HTC HERA- Mandated Tenant Submissions			
	2013		2014		2013		2014	
	Properties	Units	Properties	Units	Properties	Units	Properties	Units
Mississippi	580	32,105	662	34,289	529	27,567	538	28,537
HTC Total	35,288	2,286,017	36,790	2,423,175	25,677	1,732,240	36,516	1,937,538

Race and Ethnicity of Heads of Households

	Not Hispanic						Hispanic (Any Race) (%)	Race or Ethnicity Not Reported (%)
	White Alone (%)	Black or African American Alone (%)	Asian Alone (%)	American Indian or Alaska Native Alone (%)	Native Hawaiian and Other Pacific Islander Alone (%)	Other (Including Multiple Race) (%)		
Mississippi	12.3	68.4	0.4	0.2	0.0	1.8	0.9	15.9
HTC Total	22.8	23.1	2.0	0.7	0.3	1.4	9.3	40.5

Disability Status of Individual Household Members

	Reported as Disabled (% of Individuals)
Mississippi	3.8
HTC Total	5.2

Family Composition: Households with Children and Elderly Member

	At least One Member <18 (%)	At Least One Member ≥ 62 (%)	Reported Head of Household ≥ 62 (%)
Mississippi	50.7	17.6	17.1
HTC Total	28.3	25.8	25.3

Distribution of Annual Income

	Households with Reported Annual Income					
	Median Income	≤ \$5,000 (%)	\$5,001 to \$10,000 (%)	\$10,001 to \$15,000 (%)	\$15,001 to \$20,000 (%)	≥ \$20,000 (%)
Mississippi	\$14,578	14.0	19.4	17.9	19.3	29.3
HTC Total	\$17,152	8.5	15.7	18.2	16.0	41.5

2017 Compliance Monitoring Updates

Each year, Mississippi Home Corporation's Compliance Monitoring staff convenes to discuss ways to help make the HTC program more efficient for all involved parties. The additions to the Compliance Monitoring Plan for 2017 were introduced in April at the Annual Housing Conference held in Biloxi, MS. The following is a list of those changes that were effective May 1, 2017:

GENERAL POLICIES AND PROCEDURES

Correspondence, page 14

When possible, all compliance correspondence will be remitted to owners and managers via email to the email addresses listed on file.

CHAPTER 3: STATE COMPLIANCE REQUIREMENTS

Tenant Community Services, page 44

Owners should notify its residents of all services at least two weeks in advance of the classes/services. Owners are required to submit copies of the notices to MHC via fax or emailed to compliance.htc@mshc.com.

CHAPTER 4: DETERMINING & DOCUMENTING HOUSEHOLD ELIGIBILITY

Live-in Aide, page 53

Due to the potential change in disability status, the need for a live-in aide should be acquired on an annual basis at recertification.

CHAPTER 5: INCOME & ASSET DETERMINATION AND RESPONSIBILITIES

Non-Employment Verification, page 78

Individuals applying to reside in an assisted living facility are exempt from this verification requirement. (MDES printouts)

CHAPTER 7: COMPLIANCE REPORTING AND ADMINISTRATIVE RESPONSIBILITIES

Compliance Briefings/ Trainings, page 124

Every three (3) years, all owners and on-site managers must show documentation of tax credit training conducted by an approved organization or MHC. In the event of a change in

on-site management/managing partner, the individual must acquire training within 120 days of the initial change. In order for the training to meet standards, it must cover HTC program rules, income & asset determination & calculation, rent, utility allowances, mandatory charges, income limits, full-time students, file documentation, etc. Attendance at the conference will not be considered as training.

At a minimum, the following companies are approved to provide training:

Zeffert & Associates'

Liz Bramlet's Consulting

Quadel Consulting & Training

Novogradac and Company

Karen Graham

Elizabeth Moreland Consulting

FORMS

New: ORA Lease Addendum

Revised: 1) Certification of Tip Income
2) Employment Verification

Though change may sometimes feel like a thorn in our sides, it's important to realize that change can be great when it allows us to operate more effectively. Ensuring that you and your staff are familiarized with all changes as they are released will likely minimize errors made by your management company or ownership entity.

We hope you are enjoying the latest edition of our newsletter! Please feel to send features or articles that you think would be beneficial to our affordable housing partners.



Question: How long do we have to qualify tenants who were already residing on a property during an acquisition/rehabilitation and what date is used as the effective date/move-in date on the TIC?

Answer: You have 120 days from the acquisition date.

The effective/move-in date would be the date of acquisition.

Question: If we are unable to qualify all existing tenants by the 120-day deadline, what should the effective and move-in dates be?

Answer: In this instance, the move-in date will be the date of acquisition and the effective date will be whatever date you actually certify the tenant.

Question: I am proposing a \$25 month-to-month fee to entice residents to sign a new lease to help us budget better. Is it acceptable to charge more for a month to month lease?

Answer: Required costs or fees which are not refundable, such as additional fees/rent for month-to-month tenancy, are allowable but they must be included in the rent computation. This means that the total cost of the month-to-month rent plus utility allowance and other mandatory charges must not go over the allowable tax credit rent limit.

Question: I have an applicant who has recently assumed temporary custody of her grandchildren due to their mother being deployed. Since her income must be counted, should she also be counted as a household member?

Answer: Yes. Any time a deployed military member leaves behind dependents, his/her income must be counted and they must added to the household size.

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