

S C STATE HOUSING

3221 — Housing and Economic Recovery Act of 2008

Annual Recertification: Effective January 1, 2009, Recertification for Tax Credit properties will change. 100% Tax Credit properties will be required to perform a complete initial certification, including all applicable third party verifications, for each household.

In subsequent years following the anniversary date, the household must complete a self certification as to income, assets, household composition and student status. If the household discloses that income exceeds 140% of the current income limit based on household size, the NAU Rule must be followed and documentation maintained demonstrating its satisfaction.

The addition of a new member(s) to an existing low-income household requires verification of the new member's income, via third party verification. The new resident's income is added to the household's most recent certification and compared to the current applicable income limit, based on the new household's size. The change to the tenant income certification must be dated and initialed by all adult household members and by management.

If the "revised" household's total income does not exceed the current applicable income limit, nothing further is required, if the "revised" household's total income exceeds 140% of the current applicable income limit based on the new household size, the Next Available Unit Rule must be followed and documentation maintained demonstrating its satisfaction. If at any time, no originally certified household member remains in the unit, an initial certification must be performed, including all third party verifications as applicable. The household must meet all initial eligibility requirements.

100% Tax Credit developments with other funding sources that require annual recertification, or having moderate or market rate units, do not qualify for this recertification exemption. For those developments, a complete annual recertification must be performed.

Please be aware that failure to occupy low-income units with qualified households either by deliberate circumvention or inadequate due diligence can result in significant consequences. South Carolina State Housing Finance and Development Authority does not make decisions concerning loss or recapture of credits. The Internal Revenue Service has indicated, however, that disregard of the Available Unit Rule could result in a building not being considered part of a qualified low-income project.

The South Carolina State Housing Finance and Development Authority Compliance Monitoring Division must be notified in writing of the intent to utilize this recertification process.