

# THE HFA INSTITUTE 2020

## Coordinating Compliance with Multiple Subsidies

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NCHM



**HOME and  
Housing Trust  
Fund**  
JANUARY 12 – 14



**Housing Credit**  
JANUARY 14 – 16



**MRBs and  
Other Federal  
Homeownership  
Programs**  
JANUARY 15 – 17



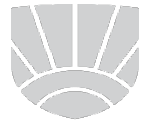
**Section 8 and  
Other Federally  
Assisted  
Multifamily  
Housing**  
JANUARY 15 – 17



## Student Household Restrictions and Ongoing Eligibility

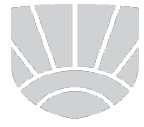
- Low Income Housing Tax Credits (LIHTC)
- HOME
- Housing Trust Fund (HTF)
- Project-Based Section 8 (HUD P/B)
- Rental Assistance Demonstration (RAD)
- Housing Choice Vouchers (HCV) and Project-Based Vouchers (PBV)





When program regulations conflict, comply with the regulation  
that is most restrictive





When program regulations don't align,  
comply with both sets of regulations



## LIHTC Student Household Eligibility

- Households consisting *entirely* of full-time students are NOT eligible unless they meet one of the current five exceptions.
- Status can change from year to year
- School age children are considered full-time (grades K-12)
- “Full Time” is defined by the institution attended
- At least 5 months attendance in the calendar/taxable year
- No “safety net” rule for ongoing student eligibility



## Section 8 Student Eligibility (Also applies to HOME, PBV, HCV)

- **If** a student:
  - is enrolled as either *a part time or full time student* at an institute of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential, **AND**,
  - *Is under the age of 24, AND*
  - *Is not living with his/her parents/guardians,*
- **THEN**, in order to receive Section 8 assistance, he/she must meet the HEA definition of an “independent student” (to include vulnerable youth)
- **OR** the parent(s)’ income eligibility must be taken into consideration.



## Eligibility of Students for Other HUD Assistance Programs

- Student must meet all of the following criteria to be eligible:
  - Legal contract age under state law
  - Household separate from parents/guardians for one year or qualify as independent student
  - Not claimed as dependent by parents/guardians on tax returns
  - Certification of financial aid from parents/guardians & others even if \$0



## Ongoing Student Eligibility

- LIHTC
  - Annual student status certification required
  - Full-time student household not meeting an exception at any time disqualifies the unit from eligibility
- Section 8 (including HCV and PBV)
  - A non-qualified student, full-time or part-time, at any point in tenancy disqualifies family from assistance
- HOME
  - A non-qualified student, full-time or part-time, at any point in tenancy considered noncompliance with HOME Rule
  - To restore compliance, household treated as over-income and HOME guidance followed accordingly





## Recertification Requirements

- LIHTC
  - Annual student status certification required
  - Annual income recertification not required for 100%; required for all others
  - No interim recertification
- Section 8 (including HCV and PBV)
  - Annual income recertification required
  - Interim recertification required
- HOME & HTF
  - Annual income recertification required; recert form at Participating Jurisdiction's discretion
  - No interim recertification



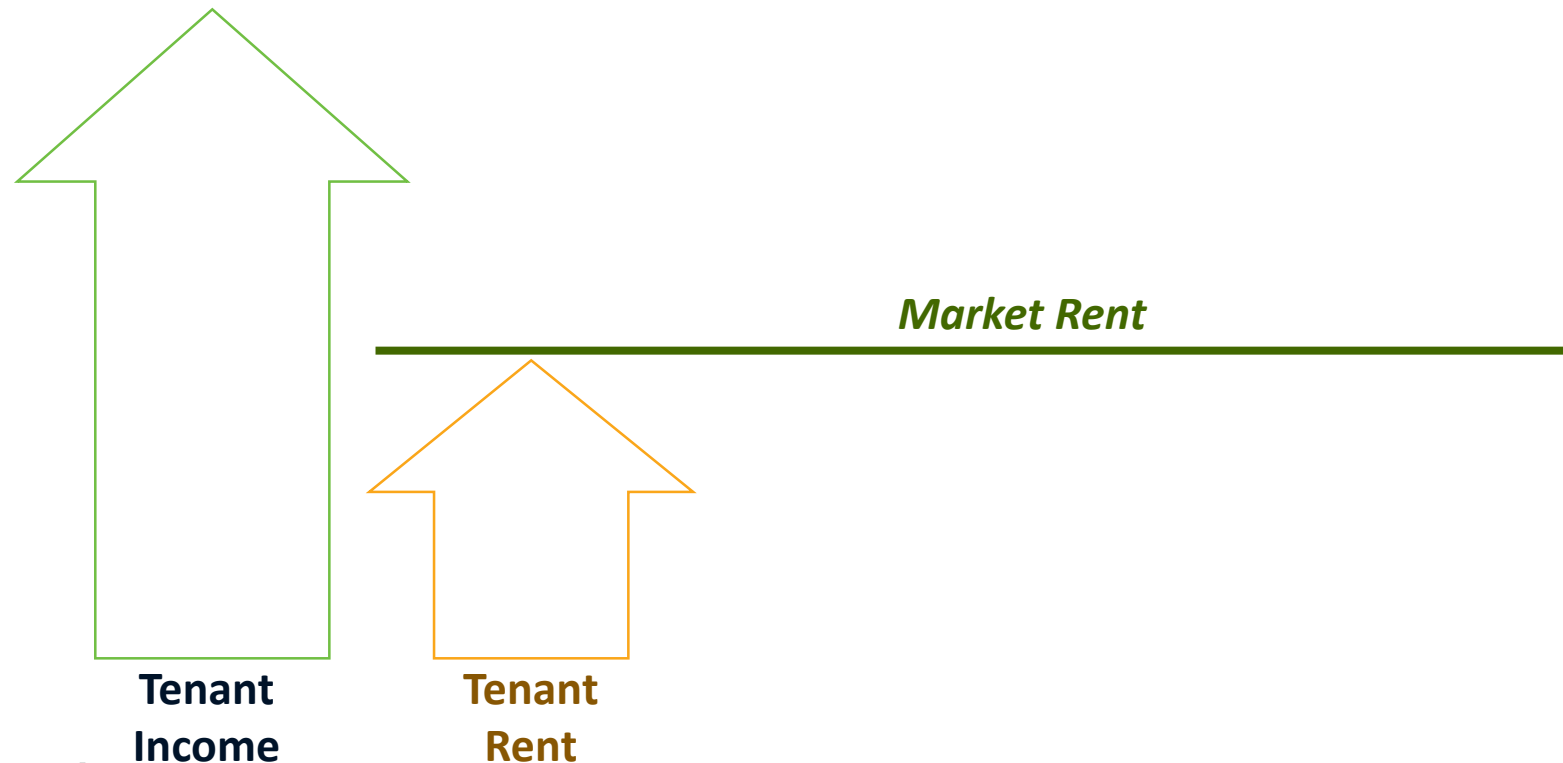
## Over-Income Households - LIHTC

- If household income exceeds 140%\* of current applicable income limit at recertification, then unit is considered over-income
- If over-income at recertification, then Available Unit Rule is triggered:
  - The next available unit of comparable or smaller size in the same building must be rented to a qualified household
  - To maintain the tax-credit status of the over-income unit:
    - Rent must remain restricted
    - Household may not transfer to another building

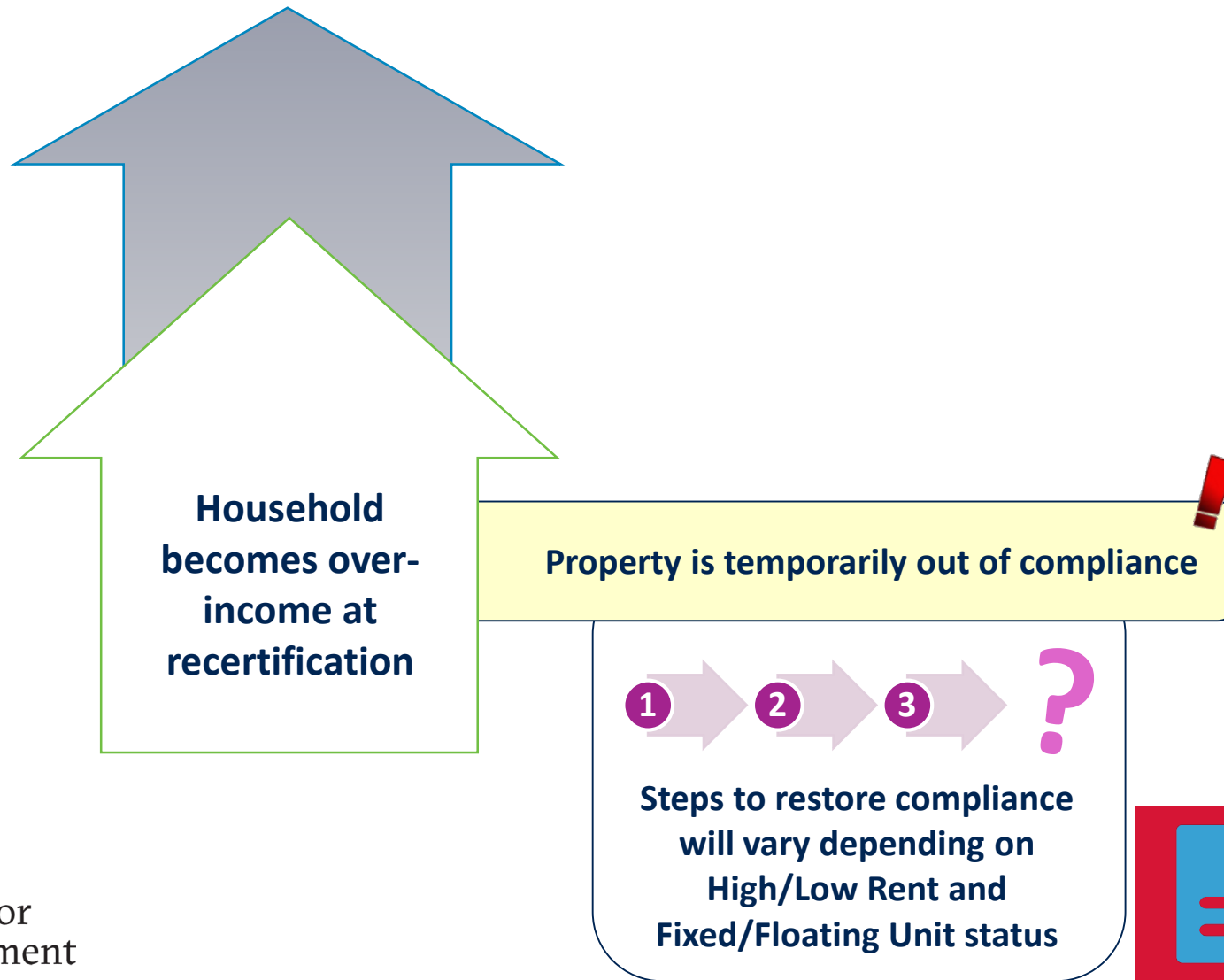


## Over-Income Tenants – Section 8 (including HCV and PBV)

- Mostly a non-issue because Tenant Rent adjusts upward as tenant income increases until tenant pays Market Rent without Assistance.



# Over Income Tenants – HOME



## Over-Income Households - HTF

- “HTF-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the income of existing tenants. When that occurs, grantees must make every effort to bring the units back into compliance as soon as is feasible.” – *National Housing Trust Fund; Interim Rule Summary 24 CFR parts 91 and 93*



## Over-Income Protocol for Blended Sites

- LIHTC/Section 8 – Follow LIHTC guidance using 140% Test, Available Unit Rule if triggered
- LIHTC/HOME – Follow HOME guidance which defers to 140% Test for LIHTC; consult Participating Jurisdiction (PJ)
- LIHTC/HTF - ??
- Section 8/HOME – Follow HOME guidance; consult PJ



**Thank You**

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