

MEMORANDUM

TO: Owners and Managers of Tax Credit Properties

FROM: Kimberly A. Roy, Assistant Director, MF Programs

DATE: September 30, 2010

RE: **Low Income Housing Tax Credit Program
Data Collection Requirement**

On October 7, 2008, I sent you a memorandum outlining changes to the LIHTC and Tax Exempt Bond Programs as a result of the Housing and Recovery Act of 2008 (HERA). As you may recall, the following areas were affected by the changes:

- General Public Use;
- Data Collection Requirement;
- Annual Recertification Waiver;
- Full-time Students;
- Area Median Income for Rural Properties;
- Basic Housing Allowance;
- Coordinating LIHTC and tax exempt bond rules; and
- Hold Harmless for Reductions in Area Median Gross Income.

Since then VHFA has been working closely with the National Council of State Housing Agencies, other state agencies and HUD to prepare for the LIHTC Data Collection Requirement. Each housing credit allocating agency must now report detailed tenant data to HUD annually as well as continue to provide general tax credit property data.

At the end June 2010, we were notified by HUD of the final data collection requirement ruling. VHFA was disappointed that HUD did not take into consideration the recommendations of the state agencies, which was to minimize the amount of data collected by allowing states to transmit household data that is currently being submitted annually on the year end status reports. Instead, the final rule implemented a revision of the Tenant Income Certification (TIC) and requires that specific detailed information on the TIC be electronically transmitted to HUD. Enclosed is the new Tenant Income Certification form that will be required for each tax credit household. This form must be used for all new move-ins and annual recertifications. You will note that there are a few additions to this form. HUD is particularly interested in the following information: race, ethnicity, age, family composition, income, rental assistance status, disability status, and monthly rental payments. This form is also available on our website at www.vhfa.org.

VHFA has purchased Housing and Development Software (HDS) to manage the LIHTC Data Collection Requirement. We are gearing up so that each property can import tenant information into our new software system and we in turn can transmit this information on to HUD.

Within HDS is the Web Compliance Management System (WCMS). This module enables property owners/managers to upload tenant data and allows VHFA to run automatic tax credit compliance checks. Owners/Managers may gain access to this system via the VHFA website at <http://www.vhfa.org/rental/managers>. Once you are at this site you will click on WCMS to register. The first step is to register for a user name and password and VHFA will approve your registration and assign properties to you. A user's manual for WCMS is also available on our website.

Owners and managers with tax credit software will be able to upload property and tenant data directly into the VHFA Software system.

Owners and managers without software and who currently maintain the tax credit information manually will need to input each tenant income certification into WCMS manually.

Training on the use of the WCMS module will be available. You can choose to come onsite to VHFA or train online using an online meeting application.

We need to provide tenant information to HUD for the year ending 12/31/2010. All transmissions will be sent to HUD by the end of October 2011. In order to meet this deadline, we need to get all LIHTC owners/managers registered and trained as soon as possible. I understand that this is a short timeframe. We will work closely with you to make sure this is a smooth transition.

We are in the process of doing beta testing with a few management companies to see how WCMS works. We are going through this exercise to ensure that the system works properly and to eliminate any bugs before all properties submit this information. In order to help get things started, we are requesting that you provide the following information:

- Who will be the contact person in your organization?
- What type of Tax Credit Software are you using? Or indicate if you are not using software.
- What is your preference for training?

Please email your responses to me at kroy@vhfa.org.

Let me know if you have any questions. I can be reached at 802-652-3433 or email me at kroy@vhfa.org.