

A stylized graphic of a house roof, composed of several overlapping, light blue geometric shapes that form a series of peaks and valleys, set against a dark blue background.

# SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY



## **Compliance Policies and Training Presentation**

# Noncompliance Fee:

The purpose of the policy is to assess a fee for repeated reviews due to unresolved noncompliance issues identified during a physical and/or file compliance monitoring review. Owners must respond to a Finding letter within 30 days. SC Housing may grant a one-time 30-day extension.

## **Fee Assessment:**

A noncompliance fee will be charged to the Owner of record at the time of noncompliance.

Noncompliance includes, but is not limited to, the late, missing, and/or incomplete submission of corrections related to SC Housing compliance reviews beyond the defined cure period, and is inclusive of any SC Housing Compliance Monitoring approved extensions.

## Fee Schedule:

- \$500 per review, will be assessed for:
  - Any corrections submitted after the 30-day correction period outlined in the Initial Findings Letter, 30-day Extension Letter
  - Any Corrections submitted after the 30-day correction period following a Pending Suspension Letter

# Fee Schedule:

Fee	9% LIHTC	TEB/4% LIHTC
Compliance Monitoring Fee - All compliance monitoring fees must be paid to the Authority at the time the PIS application is submitted and on or before the first day of February of each succeeding year throughout the extended use period. The Authority will assess a ten percent (10%) late fee of the total outstanding balance for payments received after thirty (30) days from the date due.	\$80 per LIHTC unit annually, plus an additional \$50 per LIHTC unit annually for projects using the average income minimum set-aside	\$80 per LIHTC unit annually, plus an additional \$50 per LIHTC unit annually for projects using the average income minimum set-aside. Note - may also be referred to as Bond Admin. Fee
Transfer of Ownership Fee -due at time of request	\$1500	\$1500
Transfer of Investor Limited Partnership fee- due at time of request	\$500	\$500
Annual Owner's Certification Fee- will be charged for failing to submit the AOC within 30 days of the required due date	\$500	\$500
AMI/Unit Change Request fee - due at time of request	\$1,000	\$1,000
<b>Non-Compliance Fee - will be charged for each correction submitted after the 30-day correction period for Initial Findings Letter, 5-day Overdue Audit Notice or Pending Suspension Letter</b>	<b>\$500</b>	<b>\$500</b>

## Certification Portal:

**As a reminder, all monthly tenant certifications are due to be completed in the Certification Portal by the 10th of the following month. Each building in the project is to be submitted each month, even if there were no certifications in that building.**

Please note the following:

- No data should be entered for expired recertifications until the recertifications have been completed
- A new Super User Form will be required to change the super user.
- Training is based on availability of SC Housing staff
- Compliance Monitoring only trains the super user. The super user should train all other staff
- AOCs will not be accepted when the portal is not updated

Any additional questions can be sent to the Compliance Monitoring team at [ComplianceDepartment@schousing.com](mailto:ComplianceDepartment@schousing.com).

## Training for New Lease Up:

Our Compliance Monitoring Manager will reach out regarding scheduling training at 75% lease up for properties coming over from Development:

- Listing will be provided of upcoming properties from Development
- Properties may be lumped together to be more sufficient (same management)
- Limited to 10 participants

Other resources available: Novagradac (NPCC), Zeffert, etc., for additional training.

## LIHTC Rent Approvals:

With the publication of the SC Housing 2020 Qualified Allocation Plan (QAP), owners of developments with Low-Income Housing Tax Credits awarded **2020 and later cannot increase rent levels without approval from SC Housing for those properties.**

\*\*The deadline for submission of the LIHTC Rent Approval Worksheet & required documentation is 45 calendar days of publication of the new limits. Failure to submit this document may result in the denial of the proposed rent increase. Developments cannot increase rent levels without approval from the Compliance Monitoring Department. Rent increases exceeding 5% annually may not be approved. This is **required** annually. \*\*

## Off-Site/ Electronic Files:

Since many Owners/Management Agents are going paperless, SC Housing will offer the following if the files are not available on site:

- The files can be uploaded to the Certification Portal>Project>Upload Files>Miscellaneous

*OR*

- The files can be uploaded to the Secure File Exchange server

**NOTE:** The files must be uploaded by the time the Officers have completed the on-site physical inspection. \*\*\*\*\***Please do not email files.**

## Correcting Forms and “True and Correct” Statements:

- When preparing a new or corrected form for a tenant certification that has already been completed, the following requirements apply:
  - Each change/correction made to a form that the household has already signed must be initialed and dated with the current date by all adult household members.
  - Each change/correction made to a form that has already been signed by the household and management agent must be initialed and dated with the current date by all adult household members and the management agent.
  - Make corrections by striking out the original information so it is still legible and adding the new information beside it

**\*\*Do not use white-out correction fluid to make corrections.\*\***

- Residents’ and owner/agents’ signatures on any new forms must reflect the actual date the new form was signed.
  - Backdating signatures is not permitted. Back-dated forms will not be accepted.

**NOTE:** Residents must initial all changes on all documents. Management agent and all adult household members must initial changes to Page 2 of the TIC.

## Correcting Forms and “True and Correct” Statements – Cont.’:

- For new forms, a “true and correct” statement must be included to confirm the data is accurate as of the applicable certification date.
- The “true and correct” statement must reflect the original certification effective date, not the date of the correction.
- All adult residents must initial the “true and correct” statement with current date
- For the TIC, the resident must attest on page 1 and on page 2 the management agent must attest with a current date. For the Lease Agreement/Addendums(s) both parties must attest with a current date.
- For all other supporting documents that residents are responsible for completing the resident(s) must write and complete the statement with a current date.

❖ Example: “This information is true and correct as of [insert the certification effective date].”

All boxes need to be filled - in. Either N/A, 0 or 0

**ASSET SELF-CERTIFICATION**

For households whose combined net assets do not exceed the applicable Imputed Income Limitation.  
(Complete only one form per household; include assets of children.)

For the following asset types, include the current Cash Value of each asset held by any family member and the actual income that the asset earns. \*Cash value is current market value minus cost to convert an asset to cash, such as broker's fees, settlement costs, outstanding loans, penalties for early withdrawal, etc.\*

see below

Household Name: John Doe John Doe Unit#: 103A

**PART I. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE (FMV)**

Yes  No Within the past two (2) years, I/we have sold or given away assets below their fair market value (FMV).

Asset #1: N/A Date of Disposal:  FMV - amt received:

Asset #2: N/A Date of Disposal:  FMV - amt received:

**PART II: FEDERAL TAX RETURN OR REFUNDABLE FEDERAL TAX CREDIT**

Have you received a federal tax return or refundable federal tax credit in the last 12 months?  Yes  No

Amount of return/credit: \$ 500.00

**PART III: NON-NECESSARY PERSONAL PROPERTY (NNPP)**

Yes  No Do you/we have any non-necessary personal property?

Type of Asset	(A) Cash Value*	(B) Annual Income	Type of Asset	(A) Cash Value*	(B) Annual Income
Cash on Hand	\$ <u>20</u>	N/AP	Cryptocurrency	\$ <u>0</u>	\$ <u>0</u>
Pre-paid Debit Card (including Govt. Benefits)	\$ <u>N/A</u>	N/AP	Money Market/ CD	\$ <u>0</u>	\$ <u>0</u>
Checking/Savings	\$ <u>200.00</u>	\$ <u>0</u>	Annuities	\$ <u>0</u>	\$ <u>0</u>
Checking/Savings	\$ <u>N/A</u>	\$ <u>N/A</u>	Brokerage Account	\$ <u>0</u>	\$ <u>0</u>
Savings	\$ <u>5.00</u>	\$ <u>N/A</u>	Stocks/Bonds	\$ <u>0</u>	\$ <u>0</u>
Internet based assets (Cash App, Venmo, PayPal, Crowdfunding, etc.)	\$ <u>0</u>	\$ <u>0</u>	Other: <u></u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Whole Life Insurance	\$ <u>0</u>	\$ <u>0</u>	Other: <u></u>	\$ <u>N/A</u>	\$ <u>N/A</u>

**Non-Account Based**

Possessions not general held in an account such as vehicles used for recreation (e.g., RVs, ATVs, and Boats), antique cars, collectibles (e.g. stamps, jewelry, coins, and artwork.), and equipment/machinery that is not used to generate income for a business

Description	(A) Cash Value *
<u>N/A</u>	\$
	\$
	\$
	\$

**PART IV. REAL PROPERTY**

Yes  No Do you/we have any real property?

Description of Property	(C) Cash Value*	(D) Income
<u>N/A</u>	\$	\$
	\$	\$

Under penalty of perjury, I/we certify that the information presented in this certification is true and accurate to the best of my/our knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of a lease agreement.

Signature of Applicant/Tenant: John Doe Date: 3/9/2026 Signature of Applicant/Tenant:  Date:

**PENALTIES FOR MISUSING THIS CONTENT:** Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government. HUD and any owner (or any employee of HUD or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person who knowingly or willingly requests, obtains, or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages and seek other relief, as may be appropriate, against the officer or employee of HUD or the owner responsible for the unauthorized disclosure or improper use. Penalty provisions for misusing the social security number are contained in the Social Security Act at 208 (a) (6), (7), and (8). Violations of these provisions are cited as violations of 42 USC 408 (a), (6), (7), and (8).

# Housing Opportunity Through Moderation Act (HOTMA):

- Earned Income - 5.100
- Annual Income Definition – 5.609(a)
- Annual Income Exclusions – 5.609(b)
- Annual Income Calculation & Reexaminations – 5.609(c) Not applicable for LIHTC
- Adjusted Income Mandatory Deductions - 5.611(a) Not applicable for LIHTC
- Adjusted Income Additional Deductions – 5.611(b) Not applicable for LIHTC
- Adjusted Income Financial Hardship Exemptions 5.611(c) Not applicable for LIHTC
- Income reexaminations - 5.657 Not applicable for LIHTC
- Enterprise Income Verification System – 5.233 Not applicable for LIHTC
- Net Family Assets Definition – 5.603
- Asset restriction 5.618 Not applicable for LIHTC

## HOTMA:

**Effective 10/01/2024, beginning enforcement 1/1/2025.**

- Section 102 Income
  - Definition
  - Inclusions
  - Verification
- Section 104 Assets
  - Real property vs Personal property
  - Current balance
  - Income from assets
  - Verification

## SC Housing HOTMA Summary:

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing-Tax Credit/HOME combined	SC Housing-Tax Credit/TEB/HOME combined
<b>Income</b>				
<b>24 CFR 5.609(a) Annual Income Definition</b>				
Annual income includes all amounts received, not the amount that a family may be legally entitled to receive	Same	Same	Same	Same
<b>24 CFR 5.609(b) Annual Income Exclusions</b> The list can be found in the manual				
<b>24 CFR 5.611(a)(b)</b> Adjusted Income Mandatory and additional deductions and hardships	N/A	Same	N/A	N/A
<b>Anticipated Income Calculation – Attachment F.1</b> The properties may continue using the anticipated annual income calculation for move-in and recertifications	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing-Tax Credit/HOME combined	SC Housing-Tax Credit/TEB/HOME combined
<b>24 CFR 5.609(b)(24) Notice H 2023-10-G.1 Changes to Non-Recurring Income</b>				
Income with a discrete end date and will not be repeated beyond the family’s next annual recert is excluded from income calculation (workman's comp)	Same	Same	Same	Same
<b>24 CFR 5.609(b)(24)(vii) Notice H 2023-10-G.1.F In-Kind Donations Excluded</b>				
Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization, whether they are recurring or non-recurring	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing -Tax Credit/HOME combined	SC Housing-Tax Credit/TEB/HOME combined
<b>Independent Contractors</b>				
Income received as an independent contractor is included in annual income. Even if the source, date, or amount of the income varies. Considered self-employed	Same	Same	Same	Same
<b>24 CFR 5.609(b)(9) Notice H 2023-10-G.16</b>				
<b>Student Financial Assistance</b> The new rule created two categories of financial aid. 1) Any assistance under the Higher Education Act of 1965 These amounts are only excluded up to the cost that covers tuition and other required fees in Section 8 households if the student is the head of household or that person’s spouse	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing- Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<p>2). Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education.</p> <p>Applies to both full-time and part-time students</p>	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing- Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<p>If the student is the head of household, co-head, or spouse and is under the age of 23 or without dependent children, then both the assistance received by the student will be counted as income to the extent that it exceeds the total of tuition any other required fees and charges.</p> <p>Applies to both full-time and part-time students</p>	Same	Same	Same	Same

**NOTE:** Non-Section 8 recipients. HEA expenses are excluded. However, HEA educational assistance and other scholarships and grants from schools, businesses, or government programs are added together, and total educational expenses are subtracted. If any of the non-HEA assistance is not covering the costs, the remainder is income.

[HOTMA Student Financial Assistance Resource Sheet](#)

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing- Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<b>24 CFR 5.609 (c)(5) Worker’s Compensation</b>				
Worker’s compensation payments are excluded from income except when periodic payments are made at regular intervals for more than 12 months, then they are counted as regular income	Same	Same	Same	Same
<b>Assets</b>				
All assets are categorized as either “Real Property”(e.g., land, home) or personal property	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing - Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<p>The tenant income certification must include all real property that the tenant has a legal authority to sell and all non-necessary personal property with a total value above the threshold, or the adjusted annually for inflation</p>	Same	Same	Same	Same
<p><b>Imputed Assets</b></p>				
<p>Applies if over the threshold, adjusted annually for inflation. Asset income is calculated only for those assets where the actual income cannot be computed, and the total assets exceed the imputed asset threshold, adjusted annually for inflation</p>	Same	Same	Same	Same
<p><b>NOTE:</b> Actual income is always counted</p>	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing -Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<b>Asset Self-Certification</b>				
<p>Applies if under threshold, adjusted annually for inflation. When the combined value of all net family assets has total value equal to or less than the annual threshold, adjusted for inflation, the family must include on the Asset Self-Certification form that the net family assets do not exceed the threshold amount and list the amount of actual income the family expects to receive.</p>	Same	Same <b>OR</b> one bank statement showing current balance	Same	Same as tax credit

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing -Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<b>Notice H 2023-10-1.5a</b>				
Checking and Savings- Current Balance	Same	Same	Same	Same
<b>Asset Exclusion 24 CFR 5.609 (b)(3)</b>				
Retirement plans recognized by IRS ( <a href="http://www.irs.gov">www.irs.gov</a> ). If receiving a distribution, the distribution is considered income	Same	Same	Same	Same
<b>24 CFR 5.609 (b)(4)-(4)</b>				
Personal property, such as necessary personal property (Refer to the list in the manual)	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing - Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<p><b>Household Composition – Attachment E.2</b></p>				
<p>All occupants are counted for unit size and must be listed on the Tenant Income Certification form</p>	Same	Same	Same	Same
<p><b>Family Definition – Attachment E.2</b></p>				
<p>The Definition of “family members” under HOTMA has new statutory language, including “single persons” in the “family” definition across all programs. The definition of “dependent” was revised and excludes foster children and foster adults</p>	Same	Same	Same	Same

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing -Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/ HOME combined
<b>Attachment J – Verification of Income</b>				
Safe Harbor Income Verification – Based on income determinations made within the previous 12 month. A safe harbor verification is a third-party verification that includes the family size and the amount of the family’s annual income.	Yes, IVS8 form only if the property is 100% tax credit with no tax-exempt bond, <b><i>and</i></b> the resident receives a HCV	Per the new final rule, IVS8 form is acceptable for HOME, <b><i>and</i></b> the resident receives a HCV	Yes, IVS8 form only if the property has a tax credit and HOME with no tax-exempt bond(TEB), <b><i>and</i></b> the resident receives a HCV	No

HOTMA	SC Housing – Tax Credit	SC Housing - HOME	SC Housing - Tax Credit/HOME combined	SC Housing -Tax Credit/TEB/HOME combined
<b>Notice H 2023-10 J2 Pay stubs</b>				
Minimum of 2 pay stubs	Weekly 9 pay stubs Bi-weekly 5 pays stubs Semi-monthly 4 pay stubs Monthly 2 pays stubs	Weekly 9 pay stubs Bi-weekly 5 pays stubs Semi-monthly 4 pay stubs Monthly 2 pays stubs	Weekly 9 pay stubs Bi-weekly 5 pays stubs Semi-monthly 4 pay stubs Monthly 2 pays stubs	Weekly 9 pay stubs Bi-weekly 5 pays stubs Semi-monthly 4 pay stubs Monthly 2 pays stubs
	Within 120 days	Within 180 days	Within 120 days	Within 120 days
<b>Notice H 2023-10 J5-Any type of Work Number, EIV</b>	No	No	No	No

**The HOTMA Notice is comprised of 10 attachments (sections), in alphabetical order, that address the following HOTMA provisions:**

- Attachment A—Asset Limitation (to be added in full at a later date)
- Attachment B—Calculating Income
- Attachment C—Deductions and Expenses
- Attachment D—Applicable Fair Housing and Civil Rights Requirements
- Attachment E—Household Composition
- Attachment F—Income
- Attachment G—Income Exclusions
- Attachment H—Inflationary Adjustments
- Attachment I—Interim Reexamination
- Attachment J—Verification

# New HOME, SC Housing Trust, National Housing Trust, SRDP & NSP Manual:

HOME Rental Investment Partnership Program (HOME), South Carolina Housing Trust Fund (SCHTF), National Housing Trust Fund (NHTF), Neighborhood Stabilization Program (NSP), and Small Rental Development Program (SRDP) Compliance Manual

[Federal and State Programs Compliance Manual - NEW 02/12/2026 \(PDF\)](#)



# HOME Updates: Final Rules Issued 04/05/2025

- Better align HOME rental housing with other federal rental assistance programs to ease burden

## ***Determining and documenting annual income:***

(1) For families who are tenants in HOME-assisted housing and not receiving HOME tenant-based rental assistance, the participating jurisdiction must initially determine annual income using the method in [paragraph \(b\)\(1\)\(i\)](#) of this section. For subsequent income determinations during the period of affordability, the participating jurisdiction may use one of the following two methods in accordance with [§ 92.252\(g\)](#):

- (b)(1)(i) Examine at least 2 months of source documents evidencing annual income (*e.g.*, wage statement, interest statement, unemployment compensation statement) for the family.

- **Use of income definitions.** A participating jurisdiction may use either of the definitions of “annual income” in [paragraph \(c\)](#) of this section; however, the participating jurisdiction may use only one definition of “annual income” for each HOME-assisted program (e.g., homeownership assistance program) that it administers and only one definition for each rental housing project. For rental housing projects containing units assisted by a Federal or State project-based rental subsidy program or tenants receiving Federal tenant-based rental assistance, where a participating jurisdiction is accepting a public housing agency, owner, or rental assistance provider's determination of annual and adjusted income, the participating jurisdiction must calculate annual income in accordance with [paragraph \(c\)\(1\)](#) of this section so that only one definition of annual income is used in the rental housing project. [Paragraph \(c\)](#)
- **Definitions of “annual income.”** When determining whether a family is income eligible, the participating jurisdiction must use one of the following two definitions of “annual income”:
  - (c)(1) Annual income as defined at [24 CFR 5.609\(a\)](#) and [\(b\)](#) (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of net family assets, as defined in [§ 5.603 of this title](#)); or
  - (c)(2) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.
- **Annual income includes, with respect to the family:**
  - (1) All amounts, not specifically excluded in [paragraph \(b\)](#) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
  - (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

## HOME/NHTF/SCHTF/SRDP Rent Approvals:

An Owner/Manager may be able to increase HOME, SC Housing Trust Fund (SCHTF), and National Housing Trust Fund rents, depending on the annual changes in the HUD-published HOME/HTF/NHTF rent limits, changes in utility allowances in use, or changes in the tenant's income. SC Housing must approval all rents for projects with the above funding in accordance with the approval process prescribed by SC Housing. Owners have 45 days to implement revised income limits after they are published by HUD.

**\*\*The deadline for submission of the HOME/SCHTF/NHTF Rental Approval Worksheet & required documentation is 45 calendar days of publication of the new limits. Failure to submit this document may result in denial of the proposed rent increase. This is **required annually** regardless if an increase is requested. \*\***

## New Tenant Protections :

**A. Lease-** There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified. The lease must incorporate the VAWA lease term/addendum required under [§ 92.359\(e\)](#), except as otherwise provided by [§ 92.359\(b\)](#)

**B. Prohibited lease terms.** The lease may not contain any of the following provisions:

- (1) **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- (2) **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
- (3) **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

## New Tenant Protections Continued :

- (4) **Waiver of notice.** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- (5) **Waiver of legal proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- (6) **Waiver of a jury trial.** Agreement by the tenant to waive any right to a trial by jury;
- (7) **Waiver of right to appeal court decision.** Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
- (8) **Tenant chargeable with cost of legal actions regardless of outcome.** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and
- (9) **Mandatory supportive services.** Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

C. **Termination of tenancy.** An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

# Tenant Selection:

An owner of rental housing assisted with HOME funds should comply with the affirmative marketing requirements established by the participating jurisdiction pursuant to [§ 92.351\(a\)](#). The owner must adopt and follow written tenant selection policies and criteria that:

- (1) Limit the housing to very low- and low-income families;
  - (2) Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);
  - (3) Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the participating jurisdiction (and only if the limitation or preference is described in the participating jurisdiction's consolidated plan).
- Any limitation or preference must not violate nondiscrimination requirements in [§ 92.350](#). A limitation or preference does not violate nondiscrimination requirements if the housing also receives funding from a Federal program that limits eligibility to a particular segment of the population (e.g., the Housing Opportunity for Persons with AIDS program under [24 CFR part 574](#), the Shelter Plus Care program under [24 CFR part 582](#), the Supportive Housing program under [24 CFR part 583](#), supportive housing for the elderly or persons with disabilities under [24 CFR part 891](#)), and the limit or preference is tailored to serve that segment of the population.

## Tenant Selection Continued:

- If a project does not receive funding from a Federal program that limits eligibility to a particular segment of the population, the project may have a limitation or preference for persons with disabilities who need services offered at a project only if:
  - (A) The limitation or preference is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain housing;
  - (B) Such families will not be able to obtain or maintain themselves in housing without appropriate supportive services; and
  - (C) Such services cannot be provided in a nonsegregated setting. The families must not be required to accept the services offered at the project. In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from the services provided in the project.
- (4) Do not exclude an applicant with a voucher under the Section 8 Tenant-Based Assistance: Housing Choice Voucher Program ([24 CFR part 982](#)) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such voucher or comparable HOME tenant-based assistance document.
- (5) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;
- (6) Give prompt written notification to any rejected applicant of the grounds for any rejection; and
- (7) Comply with the VAWA requirements prescribed in [§ 92.359](#).

## Streamlined Inspection:

The HOME program has accepted the NSPIRE standards or another alternative inspection standard HUD may establish through **Federal Register** publication. The inspections must be in satisfaction of another funding source's requirements and conducted within the timeframes established for the applicable regulations.

24 CFR 92.251

- ***Carbon monoxide and smoke detection.*** A carbon monoxide alarm must be installed in the housing unit in a manner that meets or exceeds the carbon monoxide detection standards set by HUD through Federal Register publication.
- ***Smoke detection.*** The participating jurisdiction's standards must require housing to contain smoke detectors in accordance with the requirements contained in [24 CFR 5.703\(b\)](#) and [\(d\)](#).
- ***Annual certification.*** The owner must annually certify to the participating jurisdiction that each building and all HOME-assisted units in the project are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction.

92.504(d)(1)(ii)(B) PJs must conduct follow-up, on-site inspection to verify any deficiencies have been corrected within 12 months; PJs must establish guidelines for verification of all types of corrections and adopt an inspection schedule accordingly. (**health and safety deficiencies**)



# NSPIRE

## National Standards for the Physical Inspection of Real Estate



# Common Physical Noncompliance Issues:

## Outside Issues:

- Outlets/Switches/GFCI
- Litter
- Security Fence
- Foundation
- Infestation
- Electrical/Wires or Conductors
- Guardrails/Handrails
- Trip Hazards/Sharp Edges

# Common Physical Noncompliance Issues:

## Inside Issues:

- Missing or damaged windows or window screens
- Auxiliary Lights/Exit Signs
- Light Fixtures Inoperable
- Missing, damaged, or expired extinguishers
- Loose handrails
- Trip Hazard/Sharp Edges
- Fire-Rated Doors
- Exhibit G-Tenant computer room (2 computers with a scanner/printer)- cannot share printer with office staff
- Exhibit G-Exercise Room-3 low impact cardio machines

# Common Physical Noncompliance Issues:

## Unit Issues

- Tripping hazards
- Blocked Egress
- Missing light fixture covers
- Damaged or missing outlet cover plate
- Infestation
- Hot Water Heater
- Not Suitable for Occupancy
- Unit down due to fire or other casualty loss
- Exposed electrical connections
- Fire Extinguisher
- Smoke Detector/Carbon Monoxide Detector

# Common Physical Noncompliance Issues

- Emergency call for aid not properly ready for use
- Storage of items in the water heater and HVAC unit area/closet





# Contact Information

[ComplianceDepartment@schousing.com](mailto:ComplianceDepartment@schousing.com)