

TEMPORARY ATTACHMENT L-1

CHECKLIST FOR TENANT INCOME CERTIFICATION FILE SUBMISSIONS RE: COVID-19

Provided below is a detailed list of acceptable forms of verification allowed under the current special circumstances. As there may be other programs involved (i.e. HOME or Section 8), Owners & Managers must ensure to adhere to those requirements as well. Also, please consult with your tax credit syndicator and confirm that these less stringent standards satisfy their requirements.

I. UNIT & HOUSEHOLD INFORMATION:

(Required for all files)

- TIC Submission Cover Letter (Attachment L-2)
- Application Information Form (AIF) (Attachment M)
- Primary Residence Affidavit (Attachment N-2)
- Tenant Income Certification (TIC) (Attachment L-3)

Note:

Agents may receive a verbal affirmation from the applicant if a signed form is not available, however, both the L-3 and N-2 forms must be executed prior to lease signing.

- Rental Application (Attachment G-1)
- Rent Payment History or Credit Review & Authorization to Release Information Form (Attachment R-5)
- Certification of Set-Aside Unit (Attachment I-2), if applicable.

II. STUDENT STATUS (LOW-INCOME UNITS):

The Student Status at Initial Certification (Attachment J-1) will not be required if the student status for the household is covered by the TIC. This includes:

- *The Student Status is noted for all household members*
- *Part VII: Student Status is filled out, and if applicable, the required exception is listed.*
- *The TIC is signed by all adult household members*

Furthermore, Owners are required to document the full-time or part-time enrollment status for any person over the age of 18. The determination of student status as full-time or part-time is based on the criteria used by the educational institution the student is attending.

At least one (1) of the below methods of verifications is required:

- Third Party: Verification from the Admissions or Registrar's Office or dean, counselor, advisor, etc., or from VA Office.
- Oral Verification: Telephone or in person contact with these sources documented in file by the owner.
- School records, such as paid fee statements that show a sufficient number of credits to be considered a full-time student by the educational institution attended.

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III. INCOME:

A. **Employment Income/Wages:**

Owners must require that all adult household members reporting employment income provide the following:

- The most recent year's complete federal and state tax returns, including all accompanying schedules, W-2's, and 1099's. (If after the current year's filing deadline, the applicant must provide the most recent year due to be filed by the preceding deadline unless they provide documentation of an IRS extension filing.) Note that failure to file tax returns is only grounds for rejection under certain circumstances. Please refer to the Marketing Handbook for guidance.

Note: Owners must continue to review the complete tax returns and accompanying forms and schedules as a review of these documents may reveal discrepancies that can affect eligibility. Owners must ensure that any discrepancies noted be clarified and properly documented in the tenant file.

In addition, Owners must document an applicant's income using one of the following methods of verification:

(i) Preferred Income Verification, **OR** (ii) Secondary Income Verification.

i. Preferred Income Verification Sources: Only one (1) of the below methods of verification are required:

- Employment Verification Form (Attachment I-3) filled out in its entirety. Any questions left unanswered or unclear will require clarification.
- 4-6 most recent consecutive paystubs

ii. Secondary Income Verification Sources: The two (2) most recent W-2 forms are required along with either Oral Verification OR Self-Declaration:

- Two (2) most recent W-2 Forms if applicant has had the same employer for at least two years and increases can be accurately projected, and
- Oral Verification: Telephone or in-person contact with employer specifying amount to be paid per pay period and length of pay period. This includes frequency of gross pay (i.e., hourly, biweekly, monthly, bimonthly); anticipated increases in pay and effective dates; overtime, etc.), or
- Self-Declaration: Notarized affidavit signed by applicant describing amount and source of income

Note:

- *Self-Declaration will not suffice unless the file documents a reason as to why a third-party and/or oral verification was not obtained. Additionally, documentation that supports the credibility and accuracy of the projection noted on the affidavit is needed when the self-declaration is used as a method of verification.*

B. **Business Income & Self-Employment Income:**

If Business/Self-Employment Income in the same line of work has been reported for at least two (2) years, the following two (2) methods of verification are required:

- Most recent FEDERAL & STATE TAX returns including 1099(s), Schedule C and other schedules, and
- An estimate of current year's net self-employment earnings certified in: (i) a letter from a licensed accountant or tax preparer, or (ii) a notarized self-statement.

If Business/Self-Employment income in the same line of work does not have two-year documented history, the following three (3) methods of verification are required:

- Tax returns from at least the previous year, even if the income was not from self-employment, and
- An estimate of current year's net self-employment earnings certified in: (i) a letter from a licensed accountant or tax preparer, or (ii) a notarized self-statement, and
- All third-party documentation supporting the estimate so that the Agent may make a reasonable attempt to establish the applicant's self-employment income and determine eligibility. See Attachment I-4 for examples of self-employment records.

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C. Recurring contributions and gifts:

At least two (2) of the below methods of verification are required:

- Notarized affidavit signed by the person providing the assistance giving the purpose, dates, and value.
- Self-Declaration: Notarized affidavit signed by the applicant stating purpose, dates, and value

Note:

- *If the contribution is noted on the Application, the declaration from either the gift giver or gift receiver is acceptable.*
- *If the contribution is not listed on the Application, supporting documentation is needed in addition to the gift giver or gift receiver affidavit.*
- *If the contribution exceeds \$10,000, and the contribution impacts eligibility, supporting documentation is needed in addition to the affidavit.*

D. Alimony or Child Support:

At least one (1) of the below methods of verification is required:

- Income from court-ordered child support should be supported with an official statement showing activity and amounts.
- Income from non-court-ordered child support may be documented with a notarized self-statement of frequency and amount, by either or both the payer and recipient.
- Self-Declaration*: If applicable, notarized affidavit from applicant indicating that payments are not being received.

Note:

- *If the support is noted on the Application, the declaration from either the gift giver or gift receiver is acceptable.*
- *If the contribution is not listed or is inconsistent with the Application, supporting documentation is needed in addition to the affidavit.*

E. Benefit Income: Public Assistance, Social Security, Unemployment, Disability, Pension, etc.

At least one (1) of the below methods of verification is required:

- Award of benefit notification letters/computer printout from court or public agency. When Award letters/printouts from court or public agency are out of date; telephone verification of letter/printout is recommended.
- Current or recent check stubs with date and gross amount (prior to any deductions)
- Oral Verification: Telephone or in-person contact with income source
- Self-Declaration*: Notarized affidavit from applicant indicating the source and amount of income received other than wages.

Note:

- *Unemployment Benefits: For applicant's who were previously employed (as evidenced by the application or W-2/Tax Return) & currently in the process of filing for unemployment benefits (federal and state); if the unemployment income cannot be documented, as long as there is evidence that an application for benefits has successfully been submitted, the file may continue processing. However, the applicant may not sign a lease until verification for such benefits is provided. It is expected that Owners will allow applicants a two-week period (10 business days) to provide any missing documentation before being rejected/waitlisted.*
- *In the event the third-party verification is older than 120 days, the Self-Declaration can be used to reaffirm the anticipated gross income that will be received. The Self-Declaration will be used to bridge the 120-Day gap, therefore, the document must be within 120-days*
- *Self-Declaration will not suffice unless the file documents a reason as to why a third-party and/or oral verification was not obtained. Additionally, documentation that supports the credibility and accuracy of the projection noted on the affidavit is needed when the self-declaration is used as a method of verification.*
- *Self-Declarations and Affidavits may be notarized electronically pursuant to Executive Order 202.7.*

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F. Unemployment/Zero Income:

HDC has merged the Zero Income and Unemployed affidavit. This form is required for adult household members certifying to being unemployed or receiving zero income:

- Unemployment / Zero Income Affidavit (Attachment I-1)

IV. ASSETS:

Owners are not required to submit supporting asset verification documents to HDC as part of the file review process, even if the assets exceed \$5,000. However, Owners must ensure that documentation supporting the Asset Certification in the file is consistent with all statutory and program requirements. This includes verifying all assets (even if the total value is under \$5,000) for projects financed with Tax-Exempt bonds.

The below method of verification is required for ALL files:

- Asset Certification (Attachment T): This form must identify both the specific assets and the actual income earned from the assets (such as the interest rate for a bank savings account) for all applicants.

V. ADDITIONAL FORMS:

- IRS Form 4506-T (Attachment R-2)
- IRS 4506 (DOI/HDC) & (DOI/HPD) (Attachment R-4)
- NYS DTF-505 Form (DOI/HDC) & (DOI/HPD)
- Broker/Third Party Certification:
 - <165% AMI (Attachment S-1)
 - >165% AMI (Attachment S-2)
- Next Available Unit Rule Certification:
 - Certification for Deep Rent Skewed Projects (Attachment V-1)
 - Certification for Mixed Income/Non-Deep Rent Skew projects (Attachment V-2)

HDC will temporarily waive applicant signature requirements and notarization on documents submitted for HDC review (i.e. Tenant Income Certification (TIC), Asset Certification, etc.). All other applicant file protocols will remain in place. Should the file otherwise appear to meet eligibility criteria, HDC will issue a contingent approval letter. (Contingent approvals are conditioned on management confirming eligibility and ensuring that all documents are properly executed and notarized prior to lease signing.)

The Owner may not collect funds from prospective residents (e.g., security deposits, rents, etc.). Additionally, No resident may be moved into the building, and no lease or contract may be signed, until the Agency has approved the applicant.