



SUPPORTIVE HOUSING MONITORING TRAINING

Presented by
NCHFA
2026



Supportive Housing Monitoring Training

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Physical Address:
3508 Bush Street
Raleigh, NC 27609-7509

Mailing Address:
PO Box 28066
Raleigh, NC 27611-8066

Web Site:
www.nchfa.com

Asset Management Contact List

Main Agency Telephone Number	(919) 877-5700
Rental Investment Business Group Fax Number	(919) 877-5701
Susan Westbrook, Manager of Rental Assets, sewestbrook@nchfa.com	(919) 877-5647

Supportive Housing Asset Management Team:

If you have a general or specific question regarding tax credits or an RPP funded property, contact any of the following:

Tanya Burnett Clark, Team Leader	tbclark@nchfa.com	(919) 877-5665
Susan Caulder	sccaulder@nchfa.com	(919) 981-2641
Krista Zimmer	klzimmer@nchfa.com	(919) 480-8947

If you have a question about the online reporting system (RCRS), contact: Tanya Clark	tbclark@nchfa.com	(919) 877-5665
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If you have a question about Annual Owner Certifications (AOC), contact: Melissa Keller	mdkeller@nchfa.com	(919) 480-8970
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If you have questions on RPP rent increases or reserve withdrawals, contact: Krista Zimmer	klzimmer@nchfa.com	(919) 480-8947
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If you have general questions about audited financial statements, contact: Susan Caulder	sccaulder@nchfa.com	(919) 981-2641
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If you have a question about utility allowances, contact: Tammy Douglas	tgdouglas@nchfa.com	(919) 877-5654
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If you have a question about the KEY Program payments, contact: Louise Gardner	rlgardner@nchfa.com	(919) 877-5663
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If you have questions about our training workshop registration, contact: Gianna Hargrove-Fletcher	gmhargrovefletcher@ncha.com	(919) 578-3529
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If you have a general or specific question about a Supportive Housing property or shelter, contact: Susan Caulder	sccaulder@nchfa.com	(919) 981-2641
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If you have general questions about physical inspections, contact: Tanya Clark	tbclark@nchfa.com	(919) 877-5665
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Development Team:

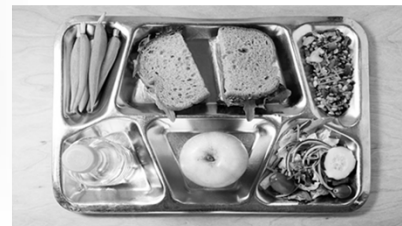
Nancy Bloebaum Manager of Supportive Housing Development Programs	nbbloebaum@nchfa.com	(919) 877-5619
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Keisha Purvis Supportive Housing Development Specialist	kppurvis@nchfa.com	(919) 877-5713
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Maureen Greidanus Supportive Housing Development Specialist	mrgreidanus@nchfa.com	(919) 578-3532
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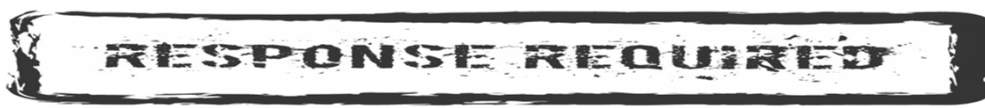
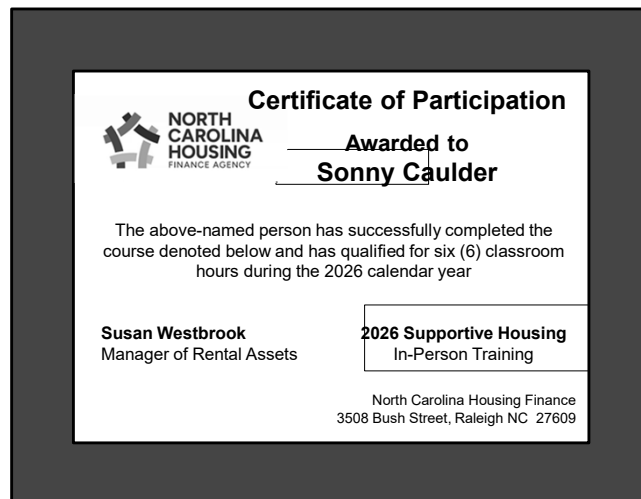
Josh Burton Supportive Housing Development and Construction Specialist	jdburton@nchfa.com	(919) 480-8756
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Housekeeping



Survey = Certificate

- Surveys will be emailed seven (days) after the training. After completing the survey, a second email will be sent with the certificate link
- If clicking on the survey link an error message is received, log out of your email and log back in and open the email with the link
- The survey email will be emailed to the email address that was used at registration
- Do not opt out of emails from rental trainings or future emails will not be received



NCHFA Hot Topics & Important Reminders

DISCLAIMER

- The policy/information contained in this presentation was prepared and related handouts are accurate at the time of this presentation
- Upon further release of guidance from the Internal Revenue Service (IRS) and US Department of Housing and Development (HUD) or NCHFA Leadership, additional updates to our policies may be necessary and will be communicated by the North Carolina Housing Finance Agency

Updated & New Fees – Effective 10.1.2025

Fee Name	Description of Fee	Current Amount	Proposed Amount	Change
Utility Allowance Fee	Utility allowance processing fees for company estimate, Agency estimate, HUD utility schedule model, or energy consumption model	\$150	\$250	+\$100
Ownership Change Fee	Ownership change fee (Tax Credit property only)	\$250	\$500	+\$250
Ownership Change Fee	Ownership change fee (property with Agency loan)	\$500	\$1,500	+\$1,000
Partnership Change Fee	Partnership Change Request	\$0	\$500	+\$500
Management Company Change Fee	Management Company Change Request	\$0	\$500	+\$500
MF Loan Modification Fee	MF Loan Modification Request	\$0	\$500	+\$500



Note: A fee is owed for EVERY request in a transaction. Requests will NOT be processed until fees are paid.

Management Transfer Policy

SHDP Experience

- Management Company must have at least one similar project in their portfolio
 - Example: to manage a new property, they must be currently managing a supportive housing property or requisite experience

Registered with the NC Secretary of the State

- NCHFA Staff monitor the NC Secretary of the State website annually (and when new management companies request to do business in NC)



Management Transfer Policy

Training Requirements

- At least one staff person in a supervisory capacity must attend at least 2 Agency sponsored trainings in the calendar year
 - Supportive Housing Monitoring
 - Targeting and KEY Training (if applicable)
- Reminder emails will be sent annually in August/September if they are not meeting the requirement



KEY REPORTING

KEY Program Compliance

- Requesting KEY Assistance timely and accurately (if applicable)
 - Timely Payments: Reviewed quarterly. Payment requests are anticipated monthly, and lapses between payments must be less than 90-days
 - Requesting Vacancies: Random sampling quarterly to compare RCRS and V&R. The vacancy must be reported within **8 calendar days** to V&R
 - Reporting to V&R Timely: Periodic random sampling of vacancies/referrals provided



Noncompliance Reporting

Uncorrected Noncompliance Items

- No project in the portfolio with material or uncorrected noncompliance beyond the cure period, unless there is an approved plan of action
- Management must complete Compliance Resolution Packet (CRP) in RCRS to address uncorrected noncompliance
- Management must track!!



Rent Increase Reporting

Rent Increase Compliance

- Implementing a rent increase on an existing property without Agency approval, if required
 - There is NO correction for this issue
 - Rent increases implemented without approval as POST Approval via RCRS or findings on file reviews
 - Note: There is a change in the rent increase policy in 2024 and 2025 for different funding types
- Not adhering to the policy on how much and when to pass approved increase to tenants

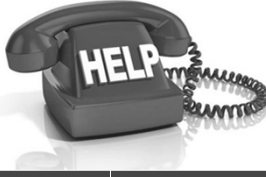


**PRIOR
APPROVAL
REQUIRED**





Reporting Contacts



Category	Agency Staff Name	Agency Staff Email	Agency Staff Phone
KEY Program Compliance	Louise Gardner	rlgardner@nchfa.com	(919) 877-5663
RCRS Reporting	Compliance Help	compliancehelp@nchfa.com	
Training Requirements	Susan Caulder	sccaulder@nchfa.com	(919) 981-2641
Rent Increase Compliance	Krista Zimmer	klzimmer@nchfa.com	(919) 480-8947



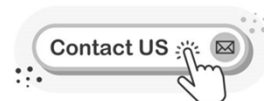
Forms Located: www.nchfa.com

Rental Housing Partners > Rental Owners & Managers >
Policies, Resources & Forms > Resident Files > Targeting Program

Note: Make sure you are using the correct form for your county. If your county is not listed on a particular form, you will use Tier 1

KEY Payment Standards

- 2026 KEY payment standards released
- RCRS will automatically pick up the new payment amount for 2026, management does NOT need to make any changes in RCRS
- Worksheets are available on the NCHFA website
- All counties remained the same from 2025 to 2026

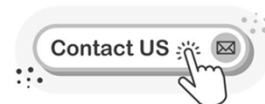


If you have questions, please contact
Louise Gardner at (919) 877-5663 or rlgardner@nchfa.com



RCRS Update – Property Upload NAHMA™

- As of 12/31/2025 NAHMA 6.0 and 7.0 have been retired
- **ONLY NAHMA 8.0 is supported in RCRS**
- What is it?
 - NAHMA 8.0 is the latest technical data standard for the electronic transfer of tenant data. This version was specifically updated to align with the requirements of HOTMA



If you have questions, please contact
compliancehelp@nchfa.com



HOME Policy Released

- NCHFA released the new HOME policy effective 1.1.2026
- BIG changes:
 - Income Determinations
 - Property Standards
 - Rent/Income Limits
 - Utility Allowances
 - Rent Increases



Policy Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers >
Policies, Resources & Forms > Ownership/Management > HOME Policy 1.0



We Need Your Help In RCRS with Asset Entry

When a household has an asset with a zero balance,
DO NOT enter the asset in RCRS

How will know the household has the asset with a zero balance?
You will list the asset on the Self Asset Certification with a zero balance or,
List third-party verify showing the asset has a zero balance



**Do Not third party verify and use a Self Asset
Certification to document the zero balance**



FRIENDLY
REMINDER



rentaltrainings@nchfa.com

used for both questions during training and general compliance questions

compliancehelp@nchfa.com

used for RCRS questions/issues only



Contact Us!

2026



Updating RCRS Contacts Requirements

- Each Management Company has a RCRS Administrator who can assign contacts, roles, tags and re-set user passwords
- Ensure that Management and Owner contacts in RCRS are current for each property in the portfolio
- Ensure that contact roles are updated for each property as staff changes occur
 - Physical Inspection Contact
 - File Review Contact
 - Key Contact
 - Primary Compliance Contact
 - Project Specific Contact
 - On-Site Contact – If not updated state noncompliance will be issued
 - Operations Contact
 - Financial Contact



If additional assistance is needed
Email compliancehelp@nchfa.com



Submitting Documents



Upload In RCRS Only



- Do Not**
- Email to Staff
 - Use Drop Box



Annual Owner Certification Due Annually on February 10th

Reminders:

- Failure to submit timely may result in noncompliance
- Read/Understand each question on the certification
- Review Property Activity Report to ensure RCRS is up-to-date or upload the Qualified Rent Roll with AOC
- Have a plan to ensure the certification is completed timely
- Include in the upload any clarification that would prevent the submitted certification from not being approved



If you have any questions, please contact
Mellissa Keller or mdkeller@nchfa.com



NCHFA Training Material Now Available on Our Website

- Targeting Program & Key Assistance
- Supportive Housing Development Program Training



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[About Us](#) [Home Buyers](#) [Homeowners](#) [Renters](#) [Home Ownership Partners](#) [Rental Housing Partners](#)

> Español

• Compliance
Manual/Training
Resources

• Ownership/Management

• Resident Files

Compliance Manual & Training Resources

[Compliance Manual](#)

[Targeting Program & Key Rental Assistance Training \(3/25/2025\)](#)

[Compliance 101 Training \(4/2/2025\)](#)

[Advanced Compliance Training \(4/3/2025\)](#)



www.nchfa.com

[Rental Housing Partners > Rental Owners & Managers >](#)

[Policies, Resources & Forms > Compliance Manual/Training Resources](#)

**Recorded Training Videos of
virtual trainings have been
added to our YouTube Page**





Development Phase

Who can apply?

- Units of Local Government
- Nonprofit Organizations
- For-profit Organizations (Olmstead type projects)



How can we build?

- New Construction
- Rehabilitation
- Acquisition/rehabilitation

Development Phase – Housing Use

Emergency Housing

Housing that provides temporary shelter in a supportive living environment for up to 90 days

Transitional Housing

Housing that provides a living environment for up to two years, at the end of which residents are able to move to permanent housing

Permanent Housing

Housing that provides long-term residency, typically utilizing a lease agreement



Development Phase

What type of housing can we build?

- Homeless and Domestic Violence Shelters
- Single Room Occupancy (SROs)
- Housing for Substance Use Treatment Programs
- Re-entry Housing
- Foster Care Homes for Children or Youth
- Independent Apartments

Must include or make available supportive services for residents

Pre-application meetings and site visits required prior to submission of application



For funding information contact:
shdevelopment@nchfa.com

Development Phase – Program Requirements

Eligible Populations:

- Persons with substance use disorders
- Survivors of domestic violence or sexual assault
- Persons with mental, physical, or developmental disabilities
- Persons experiencing homelessness or imminently at risk of homelessness
- Children in foster care, youth aging out of foster care or other licensed facilities
- Adults reentering community after release from correctional facility



Individuals and Families at or below 50% of area median income
Rent and utilities must be less than 30% of targeted household income

Development Phase – Program Requirements

- 100% of the units in the project can be targeted for low income households or a smaller percentage
- The number of units/beds that must be occupied by low income households is found in the Deed Restrictions and Loan Documents
- Modifications to existing requirements must be made by letter format from the Agency in **ADVANCE**.



Development Phase – Program Requirements

WHAAAAA

????!?!?



Participating organizations may not:

- Restrict occupancy to a particular disability
- Make participation in supportive services or treatment plans a condition of residency or ongoing occupancy
- Inquire about the nature/extent/specifics/etc. of someone's disability
- Discriminate against any employee or applicant for employment on the basis of religion.
- Discriminate against any person applying for housing or supportive services on the basis of religion.
 - Require religious programs as a condition of occupancy
 - Require religious instructions or counseling
 - Require attendance at religious services or worship



Development Phase – Program Requirements

Local human service providers that are also owners/management agents must ensure confidentiality of resident information (i.e. landlord should not know tenant's medications)



A good way to ensure confidentiality is to maintain separate files.

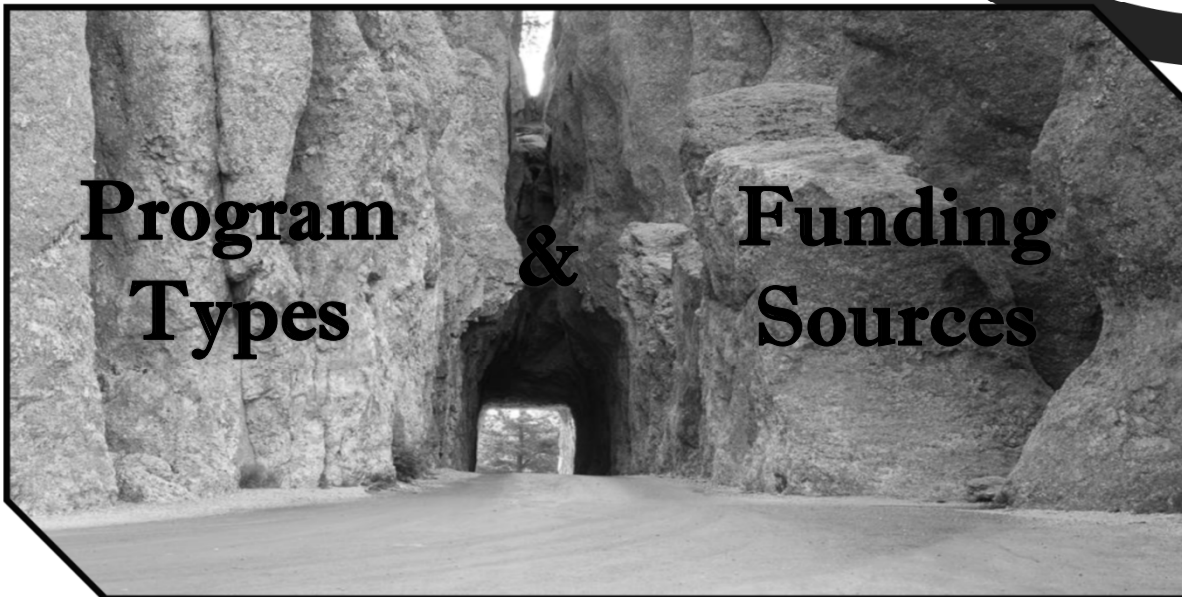
- One file for the housing issues which includes annual certification and supporting documentation
- A separate file for tenant's treatments, services and medications



Program Types

&

Funding Sources



Supportive Housing Programs



Supportive Housing Development Program (SHDP)

Program to help nonprofit organizations and local governments build and rehabilitate emergency and permanent housing for people who are experiencing homelessness and/or at imminent risk of homelessness, have disabilities or other special needs.

- For more information contact Supportive Housing Development, shdevelopment@nchfa.com

Supportive Housing Programs



Supportive Housing Rehab Loan (SH-Rehab)

- Funding to support existing SHD projects to maintain decent, safe and sanitary housing
- Provides gap financing for necessary rehabilitation
- Current replacement reserve balance will be taken into account when reviewing the rehabilitation cost.
- Loan will be forgiven at 20% per year as long as property remains affordable housing, continues to serve an NCHFA-approved target population, has no unaddressed monitoring findings, and stays in compliance with other governing restrictions.
- For more information contact Supportive Housing Development, shdevelopment@nchfa.com

Supportive Housing Programs

Supportive Housing American Rescue Plan (SHARP)



- Funded with Federal HOME-ARP funds
- To assist people experiencing homelessness, those at risk of becoming homeless and other vulnerable populations.
- Rental Housing with the possibility of operating assistance
- Non-congregate shelters for qualifying populations
- For more information contact Supportive Housing Development, shdevelopment@nchfa.com

Supportive Housing Funding Sources



Housing and Urban Development (HUD) offers funds under the HOME program which is a federal block grant used for:

- Affordable rental housing - acquisition, rehabilitation or new construction
- Homeowners - assist existing owners with repairs, rehabilitation or new construction
- New Homebuyers- develop homes through acquisition, rehabilitation, or new construction
- Provided to States and Localities

Supportive Housing Funding Sources

- State funded resource for supportive housing
- Provides gap financing and rehabilitation funds for rental developments
- Provides rental assistance for the DHHS Targeting Program



Loan Requirements – Primary Documents

- The Commitment Letter
 - Description of the property
 - Original requirements at the time of the owner's application
- Promissory Note
 - Terms of loan repayment
 - Interest rate
- Declaration of Deed Restrictions
- Loan Agreement
 - Description of the property
 - Reserve account requirements
 - Financial audit requirements
 - Insurance requirements
- Deed of Trust
 - Description of the property
 - Property tax requirements



Loan Requirements – Primary Documents



Declaration of Deed Restrictions Contains:

- Description of the property
- Length of compliance period
- Compliance monitoring requirements
- Income targeting
- Initially approved rents
- Requirement for written approval for rent increases
- Program requirements
- Fair Housing requirements
- Affirmative marketing requirements



EXAMPLE

Project: "Project" means a forty one (41) bed facility emergency and transitional housing for victims of domestic violence and homeless women to be known as [REDACTED] and located on the Property.

Qualified Tenant: "Qualified Tenant" means a tenant household whose Household Income meets the Low-Income Occupancy Requirement and the Special Needs Requirement set forth below.

RESTRICTIONS:

At all times during the Term of this Agreement the Project shall meet the requirements set forth below:

Low Income Occupancy Requirement. It is the intention that 100% of the beds will be reserved for and occupied by individuals whose Household Income does not exceed 50% of the Area Median Income. However, at a minimum, at least 50% of the beds must be reserved for and occupied by individuals whose Household Income does not exceed 50% Area Median Income. The determination of whether a tenant meets this requirement shall be made by the Borrower at least annually on the basis of the then current income of such tenant and the guidelines established by the Program. Rents may only be increased with the Lender's prior written approval.

Affordable Rents Requirement. If applicable residents of these beds shall be charged no more than thirty percent (30%) of the targeted Household Income listed above for rent and utilities. When rental subsidies are combined with thirty percent (30%) of tenant income, total rent may not be more than the area Fair market Rent, as determined by The U.S. Department of Housing and Urban Development (HUD). Affordable Rents may be revised in writing by Lender as

EXAMPLE

updated median income levels are provided by HUD. Each revision will be effective as of the date of the Lender's written notice. Rents may only be increased with the Lender's prior written approval.

Special Needs Requirement. 100% of the residential beds in the Project must be reserved for and occupied by victims of domestic violence and homeless women.

Who Needs Rent Increase Approval

All properties with active Agency loans are required to gain prior approval for all proposed rent increases

- If the Agency loan has been paid off early, the Agency still requires approval of rent increases until the affordability period has ended
- Initial rent structures must be entered into RCRS before any rent increases can be submitted for review
- Once the permanent financing has been completed, management enters the final rents from the development stage into RCRS as the initial rent structure
- **State Tax Credits allocated 2024 and going forward require NCHFA Approval**



Reminder

2025 Allocations and going forward require NCHFA approval, regardless of funding sources

Funding Types Requiring Rent Increase Approval

- ISHP (Integrated Supportive Housing Program)
- RPP Loans (HOME, HTF, NHTF)
- PLP Loans (HOME, HTF)
- SHP Loans (HOME, HTF, NHTF)
- All Properties (2025 allocations & going forward)



NOTE

Always refer to property specific loan documents if clarification is needed

NCHFA Rent Increase Policy

For increases with an Effective Date of 1/1/2026 or later

As a reminder, any property with an Agency loan must request **Agency approval prior to implementation of a rent increase**:

- All increases must be submitted **60-DAYS** prior to the effective date, and tenants must receive a 60-day notice
- If submitting a rent increase of \$25 or less: no additional justification is needed regardless of DCR/cash flow of the property (still needs to be entered and approved prior to implementation)
- If submitting a rent increase of more than \$25 AND the property exceeds a DCR of 1.15 (or cash flow of **\$1000/unit**) with the proposed budget, additional justification will need to be emailed to klzimmer@nchfa.com



REMINDER:

If a rent increase request is returned to you, the effective date must be 60 days of the re-submittal date.

NCHFA Rent Increase Policy

For increases with an Effective Date of 1/1/2026 or later

- If the proposed budget is significantly different than previous years audited financials, justification will need to be sent to klzimmer@nchfa.com
- The utility allowance must not be expired when the rent structure is submitted
- If an increase of more than \$50 is approved, the following will hold true:
 - Elderly Property: no more than **\$50** can be passed along to existing unassisted tenants per year
 - Family Property: no more than **\$75** can be passed along to existing unassisted tenants per year



REMINDER:

If a rent increase request is returned to you, the effective date must be 60 days of the re-submittal date.

Rent Increase Reminders (cont.)

**CONSIDER
→ THIS**

Debt Service Coverage Ratio

$$\text{Debt Service Coverage Ratio} = \frac{\text{Operating Income}}{\text{Total Debt Service Costs}}$$



- Proposed budget is compared to the actual expenses documented in the most recent audited financial.
- Fees being paid to the investor are not allowed (i.e. asset management fees, syndicator service fee, etc.) even though this is a cost of doing business
- If line items are significantly different in proposed budget versus actual, we may ask for further justification
- Standard vacancy rate of 7% regardless of actual vacancy rate

Cashflow Requirements:

- After adjustments are made, 1.15 debt coverage ratio
- If the debt coverage ratio is more than 1.15, then look at projected cash flow
 - ✓ When cash flow is less than \$1000 per unit per year (PUPY), we may approve the increase
 - ✓ When cash flow is more than \$1000 PUPY, we will either decrease or deny the increase

Failure to get required approval...

Implementing rent increases without Agency approval will result in management/ownership to not be in good standing with the Agency and noncompliance for the project

**Follow
Directions to
Avoid Being
Wrecked!**



Common Reasons why rent increases are returned

- Utility Allowance is not current or the most current approved UA is not being used. (if a new UA is submitted for approval, do not submit your Rent Increase until the UA is approved)
- Effective date is not a minimum of the 60 days from the submission (or resubmission date).
- Current Financials are not submitted.
- Not meeting required set asides.
- Asking for a large increase not justified by the budget and/or audited financials.
- Asking for more than one increase in a 12-month period.



If you see this under Rent Structure after entering your new rent structure, then you are not meeting a minimum set aside. There should be no numbers in Red.



Set-Aside ☐	PMI	Units
QAP (20% of Units)	30%	14 / 15
HOME (40% of Units)	50%	72 / 29
Federal Tax Credits (100% of Units)	60%	72 / 72
HOME	60%	72 / 5



If you see this under Rent Structure, then your property is exempt and does not have to submit a rent structure or request a rent increase

Rent Structure (property is exempt from Rent Structure Oversight)

No Rent Structures Exists. Please setup the current rent structure before requesting an increase.

**JUST A
REMINDER**



Reminder:
even if your property is exempt from rent increase oversight, you cannot go over the rent limits for your property.

**Instructions
include helpful tips
to ensure
submissions meet
all required criteria**

Rent Increases



Instructions to enter are located on the Agency website

- Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Rent Increase Process

Who needs to seek Agency approval prior to increasing rents:

- All properties with active Agency loan
 - With HOME/NHTF even if the loan is paid; if the property is still in the affordability period prior approval is required
- State Tax Credits (WHLP) allocated 2024 or later
- All properties awarded allocations 2025 or later (regardless of funding source)



<https://www.nchfa.com/sites/default/files/2025-12/Rent%20Increase%20Process.pdf>

**PRIOR
APPROVAL
REQUIRED**

Pending Approval



Rent Increases

Property
List

APN

Property
Menu

Rent
Structure

- Most recent approved rent structure is displayed including the effective date and any “special instructions” in regards to the increase
- To submit a rent increase
 - Click the Add Proposed Rent Structure button
 - Enter the effective date, new rents, updated UA (make sure to hit update after each line item). Click the OK button once completed
 - Click the Add Budget button (enter the proposed budget for the year of the increase being suggested). Click OK once completed
 - Once you are satisfied and double checked, hit the SUBMIT button in the top right
 - Last step is to confirm by clicking the OK button
 - You should now see a Pending Approval button that is not clickable. If you do not see this, the increase has not been submitted for review



1 Bedroom	3	564	0	140	\$704 (+\$25)	31%	50% (\$1,119)	☒	Update
1 Bedroom	2	820	0	140	\$960 (+\$25)	42%	50% (\$1,119)	☒	Update
1 Bedroom	6	895	0	140	\$1,035	46%	50% (\$1,119)	☒	Update
1 Bedroom	1	820	0	140	\$960 (+\$25)	42%	50% (\$1,119)	☒	Update

**Need additional help with
your Rent Increase Request?**

Krista Zimmer

klzimmer@nchfa.com

Ph: (919)-480-8947



Reserve Request

There are two types of reserve accounts required:

- ✓ Replacement Reserves
- ✓ Operating Reserves
- All properties with an active Agency loan are required to gain prior approval before withdrawing funds from reserve accounts
- The required deposits for both account types will be found in the loan documents for the property
- All requests to withdraw funds are submitted via RCRS
- If reserve accounts are underfunded, we may deny future requests until the accounts are funded properly



Replacement
Reserves



Operating
Reserves

Failure to get approval before withdrawals...

Withdrawing monies from either reserve account without Agency approval may result in management/ownership to not be in good standing with the Agency and noncompliance for the project



Rent-up Reserves

- Used for initial operating costs during lease up
- Withdrawals do not need Agency approval
- When loan converts, excess funds must be transferred to replacement reserves

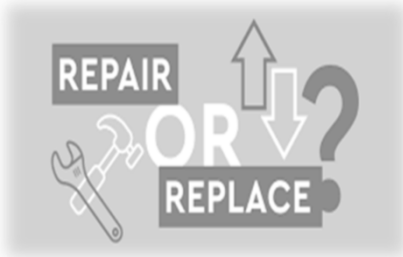


Replacement Reserves

- Used for capital improvements and replacement items (not repairs)
- Monthly deposits are made
- If requesting for reimbursement of expenses, management must provide actual invoices
- If requesting for prior approval, management must provide two to three comparable bids
- Include in the request
 - ✓ Most recent bank statement
 - ✓ Trial Balance
 - ✓ Invoices (or bids)



Replacement Requirements



- Typically NCHFA require \$250 per unit per year for new construction and \$350 (PUPY) for rehabs, with deposits escalating by 4% per year
- This is not enough to fund long term needs of the property
- Routine replacement items (such as carpet/flooring) may be submitted quarterly or annually
- Minimum balance required in the Replacement Reserve Account = 24 months of the required deposits
- If balance is less than required amount, withdrawals will not be allowed, even if the item requested is an eligible reserve item.
- Exceptions may be made on a case-by-case basis for properties in extreme adverse financial situations



Replacement Reserves Typically Approved

- Appliance Replacement
- Bathtub/Shower Replacement
- Roof Replacement
- Whole Building Gutter/Downspout Replacement
- HVAC Replacement
- Repaving/Resurfacing/Sealcoating Parking Lot or Sidewalk
- Range Queen/Fire Extinguisher Replacement (Entire property)
- Door, Sink, Faucet, Toilet, Window Replacements (only if replacing at least 10-15% of the property)
- Extensive Plumbing/Sanitary System Repairs
- Repainting Exterior of Building
- Water Heater Replacement
- Flooring Replacement



TO GET WHAT YOU WANT
YOU HAVE TO ASK FOR IT.



Replacement Reserves Typically Not Approved

- Interior painting
- Blinds
- Appliance repairs
- Replacement of component parts (such as fan motors or A/C compressor)
- Bedbug or other pest control treatments
- Landscaping material or services
- Water extractions
- Pressure washing
- Items that should be covered by insurance



Landscaping
Work
In Progress



Operating Reserve Request

- Funded prior to loan closing
- Used for operating deficits during times of economic hardship, such as high vacancies
- Withdrawals require NCHFA approval
- Account must be restored to required balance prior to any distributions or payments to owners or investors

To request a withdrawal from Operating Reserve Account, submit a letter explaining the request, along with:

- The most recent reserve bank statement
- The most recent trial balance
- Proof or detailed explanation of the operating deficit, and
- List of outstanding accounts payables



Submission Reminders Operating Reserves

End of Month	Payment	Interest Expense	Principle Paid	Balance
1	1,264.14	1,083.33	180.80	199,816.20
2	1,264.14	1,082.35	181.78	199,637.42
3	1,264.14	1,081.37	182.77	199,454.65
4	1,264.14	1,080.38	183.76	199,270.89
5	1,264.14	1,079.38	184.75	199,086.14
6	1,264.14	1,078.38	185.75	198,900.39
7	1,264.14	1,077.38	186.76	198,713.63
8	1,264.14	1,076.37	187.77	198,525.86
9	1,264.14	1,075.35	188.79	198,337.07
10	1,264.14	1,074.33	189.81	198,147.26
11	1,264.14	1,073.30	190.84	197,956.42
12	1,264.14	1,072.26	191.87	197,764.55



- Property must be running at a deficit to be eligible
- Replacement Reserve items are NOT eligible
- Mortgage payments, monthly reserve payments, management fees are not eligible and will be taken out of the calculation to determine deficit
- Common Requests include:
 - Annual Taxes, Insurance Deductibles, Unforeseen Expenses

Common Reasons Reserve Requests are Returned



- Attempting to submit/open more than one request at a time
- Requesting reimbursement for non-eligible items
- There is no summary page for large request showing the breakdown of the request submitted
- Unit or building numbers not included either on the invoice or on the cover sheet
- The attachments included are incorrect (wrong property, documents, not legible, etc.)
- Bank Statement does not match Trial Balance. (If more than 1 account, need current bank statements for all accounts)
- Invoices are more than 12 months old
- Accounts are underfunded

Things to Remember for Replacement Reserves

- If submitting for a prior approval, you **MUST** include 2-3 comparable bids
- If submitting for reimbursement, you **MUST** include the actual invoice (not a quote)
- Invoices over 12 months will not be accepted
- Include the most recent trial balance and bank statement for the reserve accounts
- It takes up to 30-days for NCHFA staff to review/approve all reserve requests
- Replacement NOT Repairs (repairs are not eligible)
- Preference is to enter one per quarter or semi-annually
- Please have a cover sheet listing all items included – Don't forget unit numbers and/or building numbers



Tips to getting the Reserve Request processed quickly



- Only request items that are eligible
- Check what has been scanned and uploaded. Is it legible? Is it correct?
- Is there a cover sheet that includes the Vendor, date of invoice, invoice number, items, unit/building number and amount requested?
- Is the invoice less than 12 months old?
- Do not include items not needed. Ex. Copies of checks are not needed. Copies or pages of bank statements are not needed in the invoice upload



Having a well submitted request will make the process smoother and in the end, a quicker return to you!

Reserve Requests



- Instructions to enter are located on the Agency website
 - Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Reserve Request Process
- Who needs to seek Agency approval prior to withdrawing money:
 - All properties with active Agency loan
- Note: Just because another entity approves the request, does not mean the Agency will



Instructions include helpful tips to ensure submissions meet all required criteria

Reserve Requests



- List shows all submitted/approved/denied/cancelled requests
- List can be sorted by each column
- Click the magnifying glass on the left side to open a specific request
- To submit a new request
 - Click the **Add Reserve Request** button
 - If this button is not available, it is very likely there is already one open (more than one cannot be open at a time)
 - Enter the amount, reserve type and comments. Click the **Save** button once completed
 - You cannot add documents until you finish this step completely
 - To add documents, click each **Upload** button, attached document and click **OK**
 - After all three documents are added click **OK**
 - Once you are satisfied and double checked, hit the **SUBMIT** button in the top right
 - Last step is to confirm by clicking the **OK** button



Q	\$5,000	Replacement	Pending	\$0	Please see attached invoice for HVAC replacement.	
Q	04/22/2025	\$16,447	Replacement	Submitted	\$0	For the replacement of 3 HVAC units
Q	09/11/2023	\$5,808	Replacement	Approved	10/04/2023	\$5,808 For the replacement of 1 HVAC

RCRS: Reserve Requests

Home Property List Property Menu

11593 -> Partnership Village

Reserve Request

Add Reserve Request

Date Submitted	Requested Amount	Reserve Type	Status	Date Approved	Approved Amount	Comments
06/17/2021	\$4,400	Replacement	Approved	06/21/2021	\$4,400	Requesting \$4,400.00 from the reserve account to reimburse the GOA for the HVAC replacement in Unit 129J.
03/25/2021	\$1,600	Replacement	Approved	04/21/2021	\$1,600	Resubmit reserve request to use reserve funds for the step replacement at Bldg. 129.
12/10/2020	\$4,980	Replacement	Approved	12/21/2020	\$0	Partnership Village III request permission to withdraw \$4,980.28 from the reserve account in order to reimburse the GOA for the following: expense to repair leaking backflow device, bed bugs in Unit 133E, expense to reinforce the landing and replace one set of steps at Building 803 and the percentage paid by PVIII for the wiring and installation of WIFI on the property totaling \$628.40.
	\$17,134	Operating	Approved	12/20/2007	\$17,134	
	\$5,086	Operating	Approved	10/26/2007	\$5,086	

Summary
Buildings
Rent / Income Limits
Compliance Resolution
Property Activity Report
Physical Inspections
File Reviews
Monitoring Activity
Property Upload
Additional Info
Management Company Contacts
Documents
Financial Data
Rent Structure
Reserve Requests
Set-Asides
Special Claims
Hold Fees

North Carolina HOUSING FINANCE AGENCY North Carolina Housing Builds NC
HousingBuildsNC.com

RCRS: Reserve Requests

Home Property List Property Menu

11593 -> Partnership Village - Phase III -> Reserve Request List

Reserve Request

Add Reserve Request

Date Submitted	Requested Amount	Reserve Type	Status	Date Approved	Approved Amount	Comments
06/17/2021	\$4,400	Replacement	Approved	06/21/2021	\$4,400	Requesting \$4,400.00 from the reserve account to reimburse the GOA for the HVAC replacement in Unit 129J.
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	\$17,134	Operating	Approved	12/20/2007	\$17,134	
	\$5,086	Operating	Approved	10/26/2007	\$5,086	

Reserve Request - Agency training video:

<https://www.youtube.com/playlist?list=PLk5MC3cDIqXUWC7HVEZiZ3ltKlolf12R6O>

Need additional help with your Reserve Request?

Krista Zimmer

klzimmer@nchfa.com

Ph: (919)480-8947



AI Assisted Image



*Asking
for a
Friend*



AI Assisted Image

ANDI OSHO | BLOG TOUR

Audited Financials – Reminders

- Audited financials are required to be submitted through RCRS annually for projects with Agency funding.
- For FYE 12/31, audited financials are due 5/1
- For any other FYE, they are due 120 days after that date
- Failure to submit audited financials may result in management/ownership not being in good standing with the Agency and noncompliance for the project



**Remember
The Due Dates!**

Audited Financials - Requirements



- Upload PDF version of the audited financial into RCRS
- Should have comparative year schedules (including reserve accounts activity)
- If consolidated, must contain property specific schedules
- Enter data from audited financial into RCRS
- All available information must be entered
- Findings noted by auditor must be addressed with a letter/memo noting all actions taken to correct



Audited Financials - Requirements



- For SHDP Only: An audit of an umbrella group/sponsor is allowed; however, property specific data must be identified within the audit or in an attached schedule
- All available information must be entered
- Include accrued not yet paid transactions
- Findings noted by auditor must be addressed with a letter/memo noting all actions taken to correct



Audited Financials – Requirements

For smaller projects, in lieu of audited financials, an IRS 990 or financial statements are acceptable.

The following must be submitted in reasonable detail and certified by Borrower:

- Balance Sheet
- Statement of Income & Expenses

The Agency has forms for your use along with the Borrower Certification.




Instructions – Audit Data Entry

Instructions for Data Entry of Audits can be found on the Agency's website under Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management

https://www.nchfa.com/sites/default/files/page_attachments/DataEntryAudits.pdf



Instructions for Data Entry of Audits

- 1) Log into RCRS
- 2) Click on "Financial Data"
- 3) Search for property
- 4) Verify that the year noted under "Cycle" is the same year ending date of the audit you are entering
- 5) Scroll to the far right - Click "Start" to begin entering Financial Data from the audit.

****If you are returning to the property to edit data, the option will be "Update". To submit your changes, you will need to again upload your Financial Data Documentation in order to get the submit button.**

Common Reasons your financials are returned

- When completing the data entry, using numbers from some other source that do not match the audit
- Submitting balance sheets and other printouts in place of the audit
- Late Submissions
- Submitted the audit but did not complete the data entry section in RCRS
- Not including Asset Management Fees, Investor fees, etc. in the data entry because they haven't been paid out. Any fees listed on the audit that are charged to that year must be included even if the fee is accrued



Need additional help with the financial audits?

Chelsea Isaksen
ckisaksen@nchfa.com
Ph: (919) 480-8786



Insurance Requirements

- Borrower shall keep or cause to be kept, in full force and effect, the following types of insurance coverage:
 - ✓ Commercial Property (Hazard) Insurance
 - ✓ Commercial General Liability Insurance
 - ✓ Worker's Compensation Insurance
 - ✓ Flood Insurance (if applicable)
 - ✓ Fidelity Coverage
- Such other and further insurance may be required from time to time by Lender in order to comply with regular requirements and practices of Lender in similar transactions
- Each policy of insurance shall be issued by one or more insurance companies, each of which must have an A.M. Best Company or Demotech (for nonprofits) financial and performance rating of "A-" or better
- All policies shall list the Lender's name and address exactly as:

**North Carolina Housing Finance Agency, ISOA, ATIMA
3508 Bush Street, Raleigh NC 27609**

No longer standard practice for insurance companies to include the Loss Payee or Additional Insured on the insurance proceeds checks



We expect to get notified of claims

NEW Policy: Report insurance claims by email insuranceclaims@nchfa.com

Down/Offline Units



A down/offline unit is described as a unit where damages include, but are not limited to: weather related, accidental or intentional damage, system failure, etc.

- The following documentation is required to be included with the incident:
 - Description of event, including the time and date
 - Buildings(s) and unit numbers(s) effected
 - Individuals involved, including name and contact information
 - Any third-party reports (i.e. police, fire, insurance)

All down units, whether reported to insurance or not, must be reported to NCHFA at insuranceclaims@nchfa.com. In the email, indicate that you will not be reporting it to insurance.



Insurance Reminders

- Promptly pay, or cause to be paid, all premiums when due on all insurance policies and not less than 15 days prior to the expiration dates of such policies
- Provide to Lender evidence satisfactory to Lender reflecting that all required insurance is current and in force
- During the term of the loan, the Agency may require modifications to existing insurance or require additional insurance at its reasonable discretion

Insurance Requirements are available on the Agency website



- Compliance Manual
- Ownership/Management
- Resident Files

Ownership/Management

The following pages contain required and recommended checklists and current updates.

CURRENT UPDATES

[State Noncompliance - NSPIRE](#)

[NCHFA HOTMA Guidance 2.0](#)

LOAN REQUIREMENTS

[Instructions for Data Entry](#)

[Insurance Requirements](#)

[Rent Increase Process](#)

[Reserve Request Process](#)

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> Español

Recent News

\$43 Million Awarded to Reduce Homelessness and Housing Insecurity in North Carolina
December 22, 2023

Workforce Housing Check to Be Given at Valley River Apartments in Murphy, December 1
November 22, 2023

Instructions are located here

https://www.nchfa.com/sites/default/files/page_attachments/InsuranceRequirements.pdf



Rental Production Program (RPP) Document Approval

NCHFA Lease Approval

- Required prior to loan closing
- Upload lease along with appropriate lease addendums in RCRS to match funding sources applicable to property
 - HOME Lease Addendum (all units as they must float)
 - National Housing Trust Fund (NHTF) Lease Addendum (all units as they must float)
- NCHFA will not verify/review the actual lease going forward since the addendums are required and cover Agency requirements
- We still encourage you to have your lease reviewed by an attorney
- Questions, send emails to dlminters@nchfa.com

Tenant Selection Plan (TSP)

- Required prior to loan closing
- Upload via RCRS (include checklist)
- Refer to Agency website for current requirement and important dates
- Questions, send emails to alpayne@nchfa.com



**Changes or Updating?
Re-Submission is Required**

Rental Production Program (RPP) Document Approval

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 1/31/2021)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
Compass Pointe Apartments 123 Waterway Blvd. Beach County Sunset Beach, NC 27753	67-41236825	250
	1d. Census Tract	
	321-5	
	1e. Housing/Expanded Housing Market Area	
	Housing Market Area: Sunset Beach Expanded Housing Market Area: Beach County	

Affirmative Housing Marketing Plan (AFHMP)

- Required prior to loan closing
- Upload via RCRS
- Be sure to include the applicable worksheets and other supporting documentation as required by the plan instructions
- Questions, send emails to dlminters@nchfa.com



**Changes or Updating?
Re-Submission is Required**

Rental Production Program (RPP) Document Approval

A **Community Housing Development Organization (CHDO)** is a private, non-profit, community-based organization with staff capacity to develop affordable housing for the community it serves. Certified under HUD guidelines, CHDOs must receive at least 15% of a participating jurisdiction's HOME Investment Partnerships Program funds to own, develop, or sponsor affordable housing. ☐



Tenant Participation Plan

- Only required if CHDO
- Required prior to loan closing
- Refer to agency website for current requirements/instructions
- Questions, send emails to dlminters@nchfa.com

Grievance Procedures

- Only required if CHDO
- Required prior to loan closing
- Refer to agency website for current requirements/instructions
- Questions, send emails to dlminters@nchfa.com



**Changes or Updating?
Re-Submission is Required**



Reporting Requirements: RCRS



Gaining Access

- The management companies RCRS “admin” is the individual who can give access within the management company.
 - They can reset passwords
 - They create and deactivate logins as employees change
 - They assign the level of access each person has
- If you are a new management company and no one in your organization has access, reach out to connecthelp@nchfa.com
 - Access is given to mgmt once all the required paperwork is completed





RCRS Sign In Update

North Carolina
Housing Finance Agency

Sign in with your email address

Email Address

Password

Forgot your password?

Sign in

Take a **closer** look!

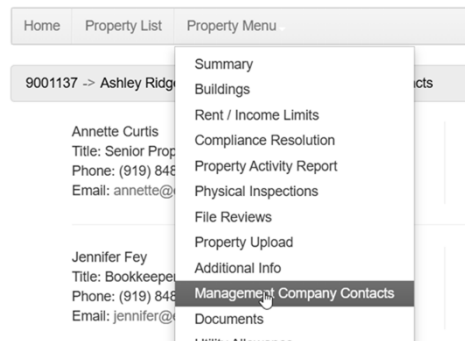


www.nchfa.org/mysystems

Make sure to tag the onsite manager information to avoid noncompliance.

Tagging Staff

- Tagging staff in RCRS is vital to ensure the correct people get the notifications and for Agency staff to know who to contact for what
 - Not tagging staff for physical and file audits will result in non compliance
 - Most important tags are physical inspections and site contact
 - Make sure to update tags as staff changes



Tagging Options

As Of Date: 

Tags:

☐ PI	■ PI - Physical Inspection Contact
☐ FR	■ FR - File Review Contact
☐ KC	■ KC - Key Contact
☐ PC	■ PC - Primary Compliance Contact
☒ PS	■ PS - Project Specific Contact
☐ OM	■ OM - On-Site Management Contact
☐ OC	■ OC - Operations Contact
☐ FC	■ FC - Financial Contact

Reminder:

- One person can be tagged to multiple items
- Only one person can be tagged per item

Example:

- Jane Doe can be PI, FR, KC
- PI cannot have Jane Doe & Bobby Smith

Tags:

	PI - Physical Inspection Contact
	FR - File Review Contact
	KC - Key Contact
	PC - Primary Compliance Contact



Reporting Requirements – RCRS

Ensure current and correct information regarding Management contacts is in RCRS.

Home

Property List

Property Menu

11350 -> Franklin Woods Townhomes -> Summary

Property Information

County:

Wake

Address:

2126,28,30,38,40,50,54 & 62 Spring Forest Rd, Raleigh, NC 27615

Program(s):

SHDP

Monitoring Type:

Loan Monitoring

Is Non-Profit Set Aside:

No

General

Project Type:

Family

Construction Type:

Building

Type

Franklin Woods

(none)

Supportive

No

Service Required:

No

Recertification

No

Waiver Granted:

No

Project Based Subsidy:

No

Affordable Housing

No

Products received from

NCHFA:

Housing Trust Fund

Other Non-Agency

Local Public Funds

Funded Sources:

Federal Public Funds

Utility Paid By Resident:

(none)

Management Agent Information

Name:

Passage Home, Inc.

Address:

PO Box 28165
Raleigh, NC 27611-8165

Phone:

(919) 834-0666

Agent Contact:

Steve Vebber

Email:

svebber@passagehome.org

Site Manager:

Owner Information

Name:

Passage Home, Inc.

Address:

PO Box 28165,
Raleigh, NC, 27611-8165

Phone:

(919) 834-0666

Contact:

Steve Vebber

Email:

svebber@passagehome.org

Tax ID:

56-1765300

Unit Mix

Required

Reported

Market Rate Units

0

0

Employee Units

0

0

Low Income Units

8

8

Total Units

8

8

DHHS Tartgeting Units

0

0

Key Program Units

0

0

Home Units

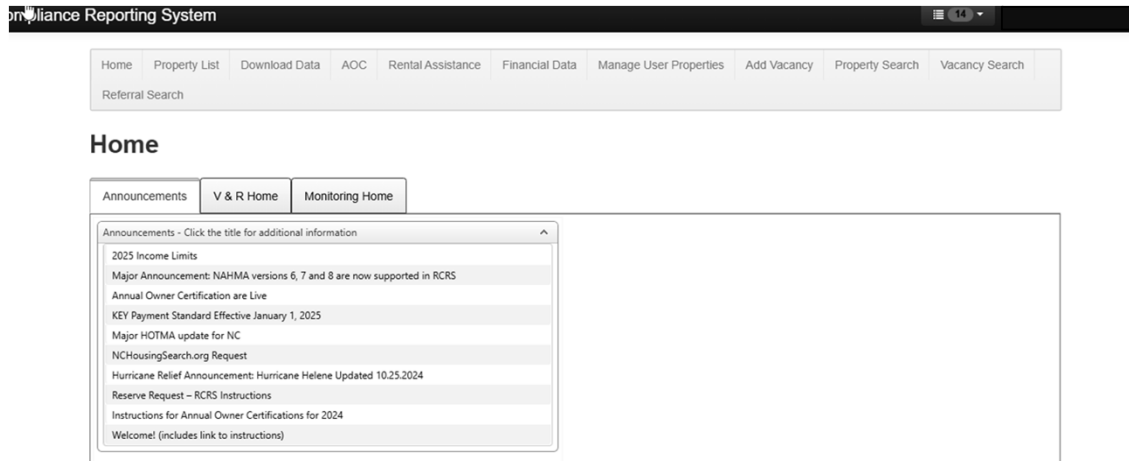
0

0

Failure to update RCRS with property phone number or to tag appropriate staff in RCRS will be noted as non-compliance. If property does not have an onsite office, you should put the Management Company phone number



Layout of RCRS



Home Screen

Announcements

- Sent to ALL RCRS users, not specific to funding type or property type

V&R Home

- Property Profile Sheets
- Vacant Comments
- Referral Comments
- Vacancy and Referral Summary

Monitoring Home

- Rental Assistance Payment Requests
- Monitoring Activity



Home Screen – V&R Home

This is where you will navigate all things Vacancy & Referral

- Vacancy Comments
- Referral Comments
- Vacancy and Referrals Summary

Note: Clicking the any of the hyperlinks (except referral name) will take you to the property summary page and provide even more detail on the property level. Clicking the referral name will take you to the referral detail.



Home Screen – Monitoring Home

This is where you will see pending KEY payments and monitoring activity for the properties in your portfolio

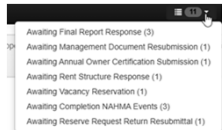
- Lists Rental Assistance Payments
 - Includes request #, property name, approval date, and check info
- Lists Monitoring Activity
 - Inspector/file reviewer
 - Anticipated review date
 - Rough Schedule: only shows month and year
 - Confirmed Schedule: shows a date and time

05/22/2025 9:00 A.M.	Physical Inspection	Aspen Spring	Heidi Holt	(919) 480-2877	htholt@nchfa.com
May/2025	File Review	Berkeley Spring Apts	Randa McCauley	(919) 981-2691	rmccauley@nchfa.com



Navigation Bar & Notifications

The RED dot: top right hand corner of RCRS



There will NOT be a notification for unresolved compliance issued that require a compliance resolution packet.

- This notification area tells you what you have pending under your portfolio
 - If you are an admin you will see all outstanding items for all properties under that management company
- Clicking each line item will take you to that specific item
 - If an item was sent back, you will be able to see the return reasons

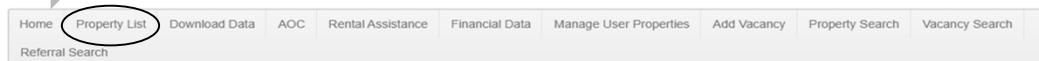


Search Riverwood Haven

Clicking the text box will open that activity item

This Navigation bar will look different for different level users!

Navigation Bar & Notifications



Property List

- List every property associated with your login
- You can search in the top right corner if you have pages of properties
- Clicking the blue APN number will open that property
- Clicking the blue “Rental Assistance” will take you to the payment history for that property

APN		Property Name	City	County	Type	Utility Allowance Eff. Date	Utility Allowance History
9002733	Rental Assistance	Mingo Village Apartments	Knightdale	Wake	Family	01/01/2025	Show History
9002742	Rental Assistance	Randall Place	Goldsboro	Wayne	Family	04/08/2025	Show History
9002858	Rental Assistance	Lions Spring	Clayton	Johnston	Elderly (55)	01/01/2025	Show History



Navigation Bar & Notifications

Home	Property List	Download Data	AOC	Rental Assistance	Financial Data	Manage User Properties	Add Vacancy	Property Search	Vacancy Search
------	---------------	---------------	------------	-------------------	----------------	------------------------	-------------	-----------------	----------------

AOC

APN	Property Name	Cycle	Date Submitted	AOC View	AOC Print	AOC History
-----	---------------	-------	----------------	----------	-----------	-------------

9000708	Griffith Commons	2024		View		
---------	------------------	------	--	------	--	--

- Click View to answer the questions for year-end and hit save
- Click Print to generate the Annual Owner Certification for the Owner to sign

APN	Property Name	Cycle	Date Submitted	AOC View	AOC Print	AOC History
-----	---------------	-------	----------------	----------	-----------	-------------

9001241	Mashburn Gap Apartments	2024		Upload & Submit	Print	Show History
---------	-------------------------	------	--	-----------------	-------	--------------

9001355	Partnership Village Phase II	2024		Upload & Submit	Print	Show History
---------	------------------------------	------	--	-----------------	-------	--------------

9197606	The Arbor at Cotton Grove	2024		Upload & Submit	Print	Show History
---------	---------------------------	------	--	-----------------	-------	--------------

- Click Upload & Submit to answer the questions for year-end
- Once all questions are answered, you can print the certification and have it signed
- Once it has been signed, you can upload and submit the AOC for Agency review
 - It will either be accepted or returned for corrections
 - This is due for every property by Feb 10th of every year.



If an AOC is returned for corrections and re-submitted after Feb 10th, it is considered late and subject to noncompliance.

Navigation Bar & Notifications

Home	Property List	Download Data	AOC	Rental Assistance	Financial Data	Manage User Properties	Add Vacancy	Property Search	Vacancy Search
------	---------------	---------------	-----	--------------------------	----------------	------------------------	-------------	-----------------	----------------

Rental Assistance

- This is where you can see all payments made to properties associated with your login. Clicking on each to view will open the actual payment request
- If there is no "Date Approved" it has not been processed and paid

		Request Number	Date Requested	Property	Housing Assistance Type	Date Approved
--	--	----------------	----------------	----------	-------------------------	---------------

Delete	View	103183	04/28/2025	Wood Spring	Key Assistance Program	
--------	------	--------	------------	-------------	------------------------	--

Delete	View	103182	04/28/2025	Wakefield Spring	Key Assistance Program	04/28/2025
--------	------	--------	------------	------------------	------------------------	------------

- You can also Create a New Payment from this screen (top right)



Create New Payment

Date Approved	Amount
---------------	--------

Navigation Bar & Notifications

Home	Property List	Download Data	AOC	Rental Assistance	Financial Data	Manage User Properties	Add Vacancy	Property Search	Vacancy Search
Referral Search									

Financial Data

- This tab is where you will enter your annual audited financials for a property
- We will go into detail on how to enter in part 2 of this class

Manager User Properties

- Only users label as an admin will have this access
- This list is all users associated with the management company
- The only clickable section is the “Assign Properties”
 - Once you click you can assign the properties that are visible to that User



Name	Login Email	Office Phone	Admin	Properties
Tim Morgan	tim@eccmgt.com	(919) 848-2041	No	Assign Properties
Annette Curtis	annette@eccmgt.com	(919) 848-2041 x204	Yes	Assign Properties
Sherre Whitley	sherre@eccmgt.com	(919) 848-2041 x202	Yes	Assign Properties

Navigation Bar & Notifications

Home	Property List	Download Data	AOC	Rental Assistance	Financial Data	Manage User Properties	Add Vacancy	Property Search	Vacancy Search
Referral Search									

Add Vacancy

- This is to add a vacancy for Vacancy & Referral ONLY
 - This does NOT add unit events to RCRS

Property/Vacancy/Referral Search

- These functions are specific for V&R not RCRS



V&R and RCRS do NOT communicate with each other.

Property Level Menu

On the main navigation, once you select a property by clicking the blue APN it will take you to the property level information

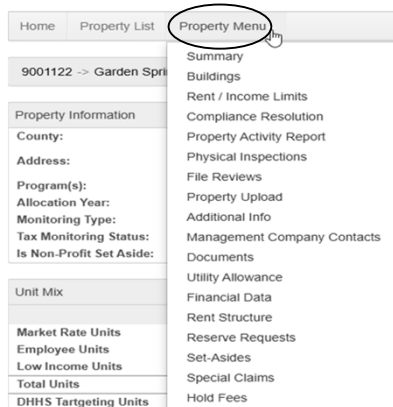
The “home” screen for the property will show you

- Property Information: County, Address, Agency Programs, Allocation Year, Tax Monitoring Status
- Unit Mix: the number of required vs reported unit types
- Set Aside Information: 1st year credits were claimed, set-aside types
- General: project type, BIN numbers, Agency programs
- Tax Credit Allocation
- Management Agent Information
- Owner Information
- Monitoring Information: audit types for that monitoring year, date and monitor



The only clickable link on the property level home screen is the rent/income limits towards the bottom

Property Level Menu



All items on the “property menu” are property specific. We will discuss some items in this section and some in Part 2.



Property Level Menu



Entering Unit Events

- Clicking the “buildings” will show all the BINS for the property.
 - This includes this # of required/reported units of each, the PIS date of each and the physical address of each
- Clicking the BIN will show all the units in that BIN
 - This includes all the information listed above and occupied/vacant, unit type, bedroom size, and tenant name
- Clicking the Unit Number will show all the unit events for that unit and allow you to add unit events
- Clicking the Event will show the specific details for that event and allow you to upload documents



Property Level Menu



Adding a Unit Events (Automatically)

- If you are using software that creates a file that can be imported into RCRS without data entry, you can upload here

9002733 -> Mingo Village Apartments -> Property Upload
- Click Choose File > Select File from Computer > Enter Email > Click Upload & Validate
- Mgmt will have to check to ensure data was transmitted correctly (including income and assets)

Only XML files may
be uploaded



Property Level Menu



Adding a Unit Event (Manually)

- Click the BIN > Click the Unit # > Add Unit Event
 - Located midway on the right side of the page
- Select Event Type
- Select if HOTMA Rules are applied
- Select Event Date
- Select Tenant Type (Low Income, Market, Employee)
- Housing Assistance Type (if assistance, those fields will open)
- Enter Tenant Rent
- Enter Program Type (this step is VERY important for HOME and NHTF)
- Select set-asides being assigned to household
- Enter Student Status



Property Level Menu



Entering Income & Assets (Manually)

- Click the BIN > Click the Unit # > Click the Unit Event
- Halfway down you will be able to add Tenant Information, Income, and Assets

Tenants					Add Tenant	
Name	Household Relationship	SSN	DOB			
gomo u fozu	Head of household	7093	02/07/1961			
kipymno e geymbajc	Co-Head	4972	11/04/1980			
Income					Add Income	
Tenant	Type	Verification Source	Annual Amount	Details		
gomo u fozu	Social Security (both personal and dual entitlements)	Not Verified	\$16,086	\$16,086 Annual		
kipymno e geymbajc	Social Security (both personal and dual entitlements)	Not Verified	\$10,843	\$10,843 Annual		
			\$26,929			
Assets					Add Asset	
Tenant	Description	Type	Verification Source	Value	Annual Income	Code
gomo u fozu		Other	Not Verified	\$104	\$0	Not Applicable
				\$104	\$0	



30
days!!!

Property Level Menu



Uploading Documents

- Whether you manually entered the unit event, or uploaded a file from your software, you must still upload the documents for all move-ins
- Click the BIN > Unit # > Unit Event > Documents (top right)
- Select the File Type (you can add a description if you want)
 - This will bring that file to the bottom
 - You have two options to upload 1) drag and drop 2) click and select from your computer



Property Level Menu



Helpful Hints

- If a unit event is RED, it has not been completed and will not show on the Property Activity Report
 - To mark a unit complete: BIN > Unit # > Event > Edit Unit Event (top right) > Mark Unit Complete > OK
- Unit events MUST be entered within 30 days of the event
 - Documents MUST be uploaded to move-ins within 30-days of MI date
- Once the AOC is submitted, the events for the year are locked and cannot be edited without reaching out to compliancehelp@nchfa.com
- For File Reviews, the auditor will look at the oldest date when determining if files were uploaded on time. We understand you will audit your own files and update some later.

30 DAYS!!!!



Property Activity Report



Report By Period

- Will only pull events with effective dates within the timeframe
- This is a great report if you are matching with your software to ensure all events were transmitted properly
- No information will be listed for a unit if there is not an event in that timeframe

Report By Year

- Will only pull events with effective dates for that year
- If no event occurred for that year, the unit type will say "NO"

Report By Status

- The most popular
- Generates a report to show what the current status of each unit is
- Every unit should have an event (except for a rent up where a unit has never been occupied)



Property Activity Report



- Prior to submitting the Annual Owners Certification print this report to compare to ensure all unit events are reported and reported correctly
- Page 1 of the Property Activity Report
 - Shows audit frequency, total # of units, set asides and required/reported, ownership entity, management entity, all funding types, property type
- If any of the information is incorrect, please reach out to the Agency so we can look into it and correct it if needed



REVIEW

Property Documents



Management Documents								
		Type	Last Received	Last Approved	Return Reason	Date Returned	Date Canceled	Canceled Reason
Upload	View	Affirmative and Fair Housing Marketing plan	01/12/2021	02/02/2021				
Upload	View	Blank Lease	02/09/2018	09/05/2018				
Upload	View	Tenant Selection Policy	02/24/2021	03/22/2021				
Upload	View	Management Plan	01/03/2024	01/10/2024				
Upload	View	Utility Allowance Documentation	01/17/2025	01/21/2025				
Upload	View	Completed Form 8609	01/24/2025	01/27/2025				



Property Documents



- New Funding: All documents (minus UA and 8609) are required prior to loan closing
- Affirmative and Fair Housing Marketing Plan
 - Must be updated every 5 years (and/or when management/ownership changes)
 - All properties must submit and approval
- Lease
 - Upload required Addenda to match funding (Tax Credit, HOME, NHTF)
 - Must be updated if lease changes
- Tenant Selection Policy (TSP)
 - Include checklist (found at www.nchfa.com)
 - Refer to Agency website for current requirements
 - Must be updated when management/ownership changes or ANY change to the TSP
- 8609
 - Upload once Part II is signed
 - This document should only be uploaded one time (unless there is a new allocation)

Ensure AFHMP and TSP posted at the site matches what is approved in RCRS.



Audited Financials can also be viewed on the property level.

APN > Property Menu > Financial Data

Audited Financials

Home Property List Download Data AOC Rental Assistance **Financial Data** Manage User Properties Add Vacancy Property Search Vacancy Search Referral Search

- This tab is where you will enter your annual audited financials for a property
- All audited financials are due May 1st if the FYE is 12/31 (or 120 days after FYE)
- Instructions to enter are located on the Agency website
 - Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Instructions for Data Entry of Audits
- Search function allows you to type property name or cycle year to narrow your search
- Click start to begin the data entry. The bottom of the screen will allow you to upload the PDF version of the audited financial
 - This screen will also show if an audit has been returned and the return reason. Once an audit has been approved/accepted it will disappear from this screen
 - If you see update, the process has already been started but not fully submitted



Search:

APN	Property Name	Cycle	Date Submitted	Date Returned	Return Reason	
9001136	Berkeley Spring Apts	2024				Start
9001148	Auburn Trace Apartments	2024				Start
9110948	Poyner Spring	2012				Update

Instructions include helpful tips to ensure submissions meet all required criteria

Rent Increases



- Instructions to enter are located on the Agency website
 - Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Rent Increase Process
- Who needs to seek Agency approval prior to increasing rents:
 - All properties with active Agency loan
 - With HOME/NHTF even if the loan is paid; if the property is still in the affordability period prior approval is required
 - State Tax Credits (WHLP) allocated 2024 or later
 - All properties awarded allocations 2025 or later (regardless of funding source)



**PRIOR
APPROVAL
REQUIRED**

Pending Approval



Rent Increases



- Most recent approved rent structure is displayed including the effective date and any “special instructions” in regards to the increase
- To submit a rent increase
 - Click the Add Proposed Rent Structure button
 - Enter the effective date, new rents, updated UA (make sure to hit update after each line item). Click the OK button once completed
 - Click the Add Budget button (enter the proposed budget for the year of the increase being suggested). Click OK once completed
 - Once you are satisfied and double checked, hit the SUBMIT button in the top right
 - Last step is to confirm by clicking the OK button
 - You should now see a Pending Approval button that is not clickable. If you do not see this, the increase has not been submitted for review



1 Bedroom	3	564	0	140	\$704 (+\$25)	31%	50% (\$1,119)	☒	Update
1 Bedroom	2	820	0	140	\$960 (+\$25)	42%	50% (\$1,119)	☒	Update
1 Bedroom	6	895	0	140	\$1,035	46%	50% (\$1,119)	☒	Update
1 Bedroom	1	820	0	140	\$960 (+\$25)	42%	50% (\$1,119)	☒	Update



Reserve Requests



- Instructions to enter are located on the Agency website
 - Rental Housing > Rental Owners & Managers > Policies, Resources and Forms > Ownership/Management > Loan Requirements > Reserve Request Process
- Who needs to seek Agency approval prior to withdrawing money:
 - All properties with active Agency loan
- Note: Just because another entity approves the request, does not mean the Agency will

Instructions include helpful tips to ensure submissions meet all required criteria





Reserve Requests



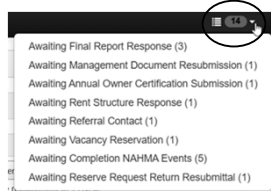
- List shows all submitted/approved/denied/cancelled requests
- List can be sorted by each column
- Click the magnifying glass on the left side to open a specific request
- To submit a new request
 - Click the Add Reserve Request button
 - If this button is not available, it is very likely there is already one open (more than one cannot be open at a time)
 - Enter the amount, reserve type and comments. Click the Save button once completed
 - You cannot add documents until you finish this step completely
 - To add documents, click each Upload button, attached document and click OK
 - After all three documents are added click OK
 - Once you are satisfied and double checked, hit the SUBMIT button in the top right
 - Last step is to confirm by clicking the OK button



Q	\$5,000	Replacement	Pending	\$0	Please see attached invoice for HVAC replacement.	
Q	04/22/2025	\$16,447	Replacement	Submitted	\$0	For the replacement of 3 HVAC units
Q	09/11/2023	\$5,808	Replacement	Approved	10/04/2023	\$5,808 For the replacement of 1 HVAC

Responding to Audits

- All open items will be found in the notification area (Red dot in the top right)
 - Exception: Compliance Resolution Packets will not appear here, mgmt is responsible for keeping up with if one is needed



Click the link for the item(s) you would like to address and it takes you to that worklist

Work List: Awaiting Final Report Response

3 Monitoring Activities						
Property	Management Company	Year	Type	# Units	Compliance Monitor	Response Deadline
Q Riverwood Haven	Evergreen Construction Company	2025	PI	6	Randa McCauley	04/16/2025
Q Randall Place	Evergreen Construction Company	2025	PI	4	Randa McCauley	04/15/2025
Q Aspen Spring	Evergreen Construction Company	2025	FR	9	Tammy Douglas	04/27/2025

Click the magnifying glass next to the property specific item you would like to address and it takes you to that specific property



Responding to Audits

Once you have gotten to the property specific screen, you will see a new Actions tab

- Click Actions > Event > Confirm Response



- Select the file (only ONE file can be uploaded, less than 10mb). Click OK
- This process is the same for all responses (except compliance resolution packets)

Helpful Hints:

- 1) Ensure work orders are signed and dated with details on what was completed
- 2) If the letter requests a picture, send a picture
- 3) Ensure pictures are labeled with unit numbers
- 4) Quotes or plans of actions will NOT correct a noncompliance. It will remain open until the work is completed



All audit related documents are located under:
Property List > APN > Property Menu > Documents

Responding to Audits

Final Reports

- Once you have responded to the original audit (if a response was necessary) a Final Report is created and released
 - If all noncompliance was corrected/cleared – no additional response is needed
 - If there are OPEN items – you have 15 days to provide additional documentation
 - After this 15 days – all open noncompliance is reported to the IRS
 - The only way to correct these open items is to submit a Compliance Resolution Packet

Feedback Documents	
Description	Created Date
View 2025 Physical Inspection - Compliance Results Letter (No Issues)	03/17/2025
View 2025 Preliminary Inspection Report	03/09/2025
View 2025 Physical Inspection - Notification Letter	02/19/2025
View 2024 Physical Inspection - Final Report	12/13/2024
View 2024 File Review - Compliance Results Letter (No Issues)	07/24/2024



Compliance Resolution Packets



If all noncompliance items have been corrected/cleared you will NOT be able to do this step

- Click Add Compliance Resolution Packet in the top right corner
- Select the Monitoring Activity from the drop down menu
 - All audits with open noncompliance will appear
- Select the open items you are responding to by checking the box to the left of the year. Click OK



Monitoring Activity
FR-06/17/2024

Issue Selection

☐	Year	Type	Building	Unit	Description
☐	2024	FR	NC-01-00805	30	File documentation submitted for review is not adequate. Please provide all pages of the Social Security letter. The bottom of the only page provided says "see next page". *UPDATE* Only 6 pages of the 8 page Social Security letter were provided.

OK Cancel

Compliance Resolution Packets



- Click Edit Documentation
- Choose File. Click Add. Click Done.
 - This is the ONLY time you can add multiple files to respond to open noncompliance (once you add a file, it opens the "Choose File" option to add additional)
- Click Submit

Compliance Resolution Packets Add Compliance Resolution Packet

Compliance Resolution Packet - FR-06/17/2024 Submit Delete Edit Issues Edit Documentation

Issues

Year	Type	Building	Unit	Description
2024	FR	NC-01-00805	30	File documentation submitted for review is not adequate. Please provide all pages of the Social Security letter. The bottom of the only page provided says "see next page". *UPDATE* Only 6 pages of the 8 page Social Security letter were provided.

Documentation
No documents found





Why Inspections Matter



AI Assisted Image

Physical inspections help ensure:

- Safe and decent housing
- Properties meet regulatory rules
 - NSPIRE
 - HOME Program
 - State Qualified Action Plan
 - State Inspection Standards
- Long-term preservation of affordable housing



Inspections Protect Residents Health & Safety



Inspections look for issues such as:

- Mold or water damage
- Electrical or fire hazards
- Broken locks, windows or handrails
- Trip and fall hazards

Inspections Ensures Program Compliance

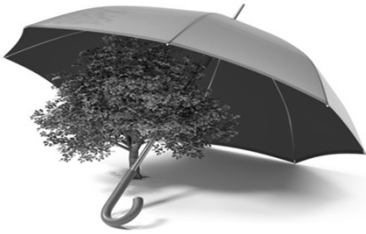


- HUD
- State Housing Agencies
- Local Funding Sources

Failure of inspections can result in:

- Findings or violations (state, program)
- Loss of funding (Repayment)
- Penalties for noncompliance
- Etc.

Inspections Protect the Property



- Identify small problems early
- Prevent costly repairs
- Maintain property value
- Extend life of the building(s)

Inspections Ensure Accountability

Inspections provide:

- Proof the property meets standards
- Documentation for audits and reviews
- Evidence that management is doing due diligence



Repairs during the inspection

Continuing in 2026...repairs will not be allowed during the inspection

- Consistent with NSPIRE - Recorded as noncompliance even if the deficiency is repaired before the inspector leaves the property
- Avoids delays during the inspection – inspectors will not return to units
- Prevents deferred maintenance



Repairs during the inspection

The only exceptions are the following:

- Install light bulbs in lighting fixtures to demonstrate that the fixture works as intended
- If bulbs are not available it will be recorded as an inoperable light fixture under NSPIRE
 - Each lighting fixture socket must have a bulb
 - Staff must bring bulbs with them to and leave in the light fixture
 - Staff may not leave the unit to retrieve bulbs
- Reattaching/plugging in electric stove elements or appliances
- Removing child safety protectors (e.g., outlet covers, cabinet/door locks, or oven knob protectors)
- Plugging in bathroom exhaust vent fan
- Lighting pilot light of gas stove



What is NSPIRE

National Standards for the Physical Inspection of Real Estate

New HUD Inspection standard and scoring system

Purpose: modernize, align and consolidate inspections across programs



<https://www.hud.gov/reac/nspire-notices>



NSPIRE: The National Standards for the Inspection of Real Estate



AI Assisted Image

The Goal: Design a simplified inspection system that more accurately reflects the physical conditions within housing units; place greater emphasis on hazards such as lead-based paint and mold.

- Fewer inspectable areas
- Greater emphasis on units than on curb appeal
- More focus on residents' health and safety



<https://www.hud.gov/reac/nspire-standards>



NSPIRE: The National Standards for the Inspection of Real Estate

From:

“HUD housing must be decent, safe, sanitary and in good repair...”

To:

To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units of the HUD housing must be functionally adequate, operable and free of health and safety hazards.”



<https://www.hud.gov/reac/nspire-notices>



NSPIRE COMPLIANCE DEADLINES



<https://www.hud.gov/reac/nspire-notices>



The Three Inspectable Areas

<https://www.hud.gov/reac/nspire-notices>



The New NSPIRE Standards



- More stringent standards for heating, GFI/AFCI electrical outlets, mold, infestation and structural systems
- Enhanced standards for smoke alarms, CO alarms, fire doors, dryer exhaust, guardrails and handrails
- Increased urgency for health and safety hazards: 24-hour repair for life threatening/severe items and 30-day repair for moderate deficiencies

Key NSPIRE Focus Areas



FIRE SAFETY



WATER SAFETY



MOLD & MOISTURE



CARBON MONOXIDE



INFESTATION



LEAD-BASED PAINT



STRUCTURAL



HABITABILITY



<https://www.hud.gov/reac/nspire-notice>

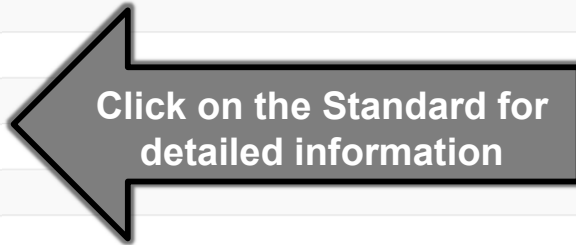


Count	Standard Item	Deficiency
2025 TOP NSPIRE Findings		
1547	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker	An unprotected outlet is present within six feet of a water source.
1362	Water Heater	The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.
551	Smoke Alarm	Smoke alarm is not installed where required.
542	Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.
461	Door - General	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.
362	Sink	Sink component is damaged or missing and the sink is functionally adequate.
350	Electrical - Conductor, Outlet, and Switch	Exposed electrical conductor.
307	Window	Window component is damaged or missing and the window is not functionally adequate.
305	Fire Extinguisher	Fire extinguisher service tag is missing, illegible, or expired.
298	Toilet	Toilet is not secured at the base.
297	Refrigerator	Refrigerator component is damaged such that it impacts functionality.
272	Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.
261	Sink	Sink or sink component is damaged or missing and the sink is not functionally adequate.
238	Smoke Alarm	Smoke alarm does not produce an audio or visual alarm when tested.
216	Door - General	A door that is not intended to permit access between rooms has a damaged, inoperable, or missing component.
212	Lighting - Auxiliary	Auxiliary lighting is damaged, missing, or fails to illuminate when tested.
177	Bathtub and Shower	Bathtub component or shower component is damaged, inoperable, or missing and it does not limit the resident's ability to maintain personal hygiene.
168	Ventilation	Exhaust system has restricted airflow.
167	Wall - Interior	Interior wall has a hole that is greater than 2 inches in diameter or there is an accumulation of holes that are cumulatively greater than 6 inches by 6 inches.
164	Mold-Like Substance	Presence of mold-like substance at moderate levels is observed visually.

The 63 NSPIRE Standards

Final Standards

STANDARDS	Inspectable area(s) standard applies to:		
	Unit	Inside	Outside
Address and Signage Standard			Y
Bathtub and Shower Standard	Y	Y	
Cabinet and Storage Standard	Y	Y	
Call-for-Aid System Standard	Y	Y	
Carbon Monoxide Alarm Standard	Y	Y	
Ceiling Standard	Y	Y	
Chimney Standard	Y	Y	Y
Clothes Dryer Exhaust Ventilation Standard	Y	Y	Y



<https://www.hud.gov/reac/nspire-standards>



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

TITLE: CALL-FOR-AID SYSTEM
VERSION: V3.0
DATE PUBLISHED: 06/20/23

DEFINITION: A call system used by a resident to summon aid during a medical emergency.

PURPOSE: Provides the resident with a means to alert emergency service.

COMMON COMPONENTS: Annunciator; Pull cord; Speaker; Lights; Alarm; Faceplate

LOCATION:

☒ Unit	Bathroom, bedroom, hallway
☒ Inside	Common area, including bathroom and hallway
☐ Outside	None

MORE INFORMATION: For the purposes of this inspection, personal "wireless call-for-aid systems" typically worn around a resident's neck are not to be inspected.

DEFICIENCY 1: System is blocked, or pull cord is higher than 6 inches off the floor.

LOCATION: ☒ Unit ☒ Inside

DEFICIENCY 2: System does not function properly.

LOCATION: ☒ Unit ☒ Inside



<https://www.hud.gov/reac/nspire-standards>





NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY I — UNIT: SYSTEM IS BLOCKED, OR PULL CORD IS HIGHER THAN 6 INCHES OFF THE FLOOR.

DEFICIENCY CRITERIA: System is blocked.
OR
Pull cord end is higher than 6 inches off the floor.

HEALTH AND SAFETY DETERMINATION: Life-Threatening The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

CORRECTION TIMEFRAME: 24 hours

HCV PASS / FAIL: Fail

HCV — CORRECTION TIMEFRAME: 24 hours

INSPECTION PROCESS:

- OBSERVATION:**
- Look for a call-for-aid system along the walls.
 - Look to see if a cord is present if required; not all call-for-aid systems will have a cord, some may have a button.
 - Look at the call-for-aid system and visually inspect for any obstruction that would prevent a resident from accessing the system (e.g., furniture and equipment, clothes, plants, etc.).
- REQUEST FOR HELP:**
- None
- ACTION:**
- If a cord is present, measure the distance between the end of the pull cord and the floor to determine if it is greater than 6 inches
- More Information:**
- If the call-for-aid system is a button-only device, then do not record a deficiency for a pull cord end that is higher than 6 inches off the floor.



<https://www.hud.gov/reac/nspire-standards>



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY I — INSIDE: SYSTEM IS BLOCKED, OR PULL CORD IS HIGHER THAN 6 INCHES OFF THE FLOOR.

DEFICIENCY CRITERIA: System is blocked.
OR
Pull cord end is higher than 6 inches off the floor.

HEALTH AND SAFETY DETERMINATION: Life-Threatening The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

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 - Look to see if a cord is present if required; not all call-for-aid systems will have a cord, some may have a button.
 - Look at the call-for-aid system and visually inspect for any obstruction that would prevent a resident from accessing the system (e.g., furniture and equipment, clothes, plants, etc.).
- REQUEST FOR HELP:**
- None
- ACTION:**
- If a cord is present, measure the distance between the end of the pull cord and the floor to determine if it is greater than 6 inches
- More Information:**
- If the call-for-aid system is a button-only device, then do not record a deficiency for a pull cord end that is higher than 6 inches off the floor.



<https://www.hud.gov/reac/nspire-standards>





NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 2 — UNIT: SYSTEM DOES NOT FUNCTION PROPERLY.

DEFICIENCY CRITERIA: A call-for-aid system does not emit sound or light or send a signal to the annunciator.
OR
The annunciator does not indicate the correct corresponding room.
OR
Pull cord is missing.
OR
Pull cord is tied up such that it cannot be engaged.

HEALTH AND SAFETY DETERMINATION: Life-Threatening The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

CORRECTION TIMEFRAME: 24 hours

HCV PASS / FAIL Fail

HCV — CORRECTION TIMEFRAME: 24 hours

INSPECTION PROCESS:

- OBSERVATION:
- Look for a call-for-aid system along the walls.
 - Look to verify that a cord is present, if so designed.
 - Listen to verify that the system emits an audible alarm, if so designed.
 - Verify the system emits a visual alarm, if so designed.
- REQUEST FOR HELP:
- Ask the POA if the call-for-aid system is monitored onsite or offsite.
 - If monitored offsite, do not test functionality of the system.
 - Ask the POA to station a staff person with a cellphone or two-way radio at the annunciator panel to standby for the alarm to activate and to contact the POA once the alarm activates.
- ACTION:
- Pull the pull cord from its lowest hanging point.
 - Verify that the system emits a visual alarm, such as a flashing light, and alerts at the annunciator panel.
- MORE INFORMATION:
- If the property has third-party documentation of a call-for-aid inspection, then the inspector does not need to test call-for-aid stations. Instead, the inspector should:
 - Verify that the documentation addresses all parts of the call-for-aid system.
 - Verify that the third-party documentation is dated within the last 12 months of the inspection date.
 - If the call-for-aid system is abandoned:
 - Do not evaluate call-for-aid systems if all pull stations have been removed and all that remains are the indicator lights, audible indicators, or annunciator panel.
 - The primary consideration is that no part of the user interface remains.
 - If the call-for-aid system is a button-only device, then do not record a deficiency for a missing pull cord.



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY 2 — INSIDE: SYSTEM DOES NOT FUNCTION PROPERLY.

DEFICIENCY CRITERIA: A call-for-aid system does not emit sound or light or send a signal to the annunciator.
OR
The annunciator does not indicate the correct corresponding room.
OR
Pull cord is missing.
OR
Pull cord is tied up such that it cannot be engaged.

HEALTH AND SAFETY DETERMINATION: Life-Threatening The Life-Threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death to resident.

CORRECTION TIMEFRAME: 24 hours

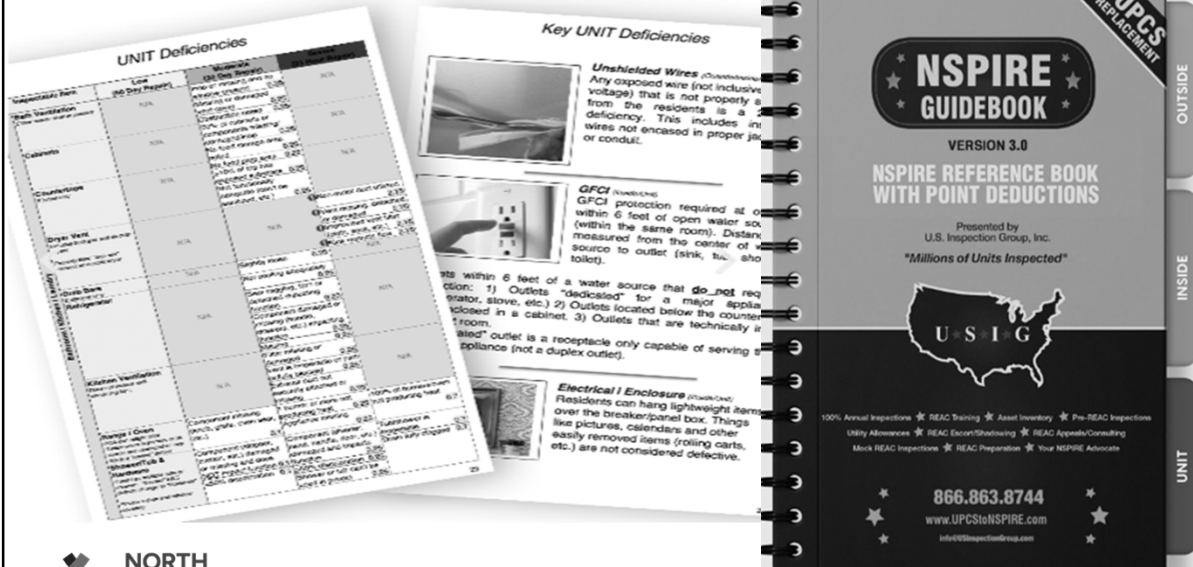
HCV PASS / FAIL Fail

HCV — CORRECTION TIMEFRAME: 24 hours

INSPECTION PROCESS:

- OBSERVATION:
- Look for a call-for-aid system along the walls.
 - Look to verify that a cord is present, if so designed.
 - Listen to verify that the system emits an audible alarm, if so designed.
 - Verify the system emits a visual alarm, if so designed.
- REQUEST FOR HELP:
- Ask the POA if the call-for-aid system is monitored onsite or offsite.
 - If monitored offsite, do not test functionality of the system.
 - Ask the POA to station a staff person with a cellphone or two-way radio at the annunciator panel to standby for the alarm to activate and to contact the POA once the alarm activates.
- ACTION:
- Pull the pull cord from its lowest hanging point.
 - Verify that the system emits a visual alarm, such as a flashing light, and alerts at the annunciator panel.
- MORE INFORMATION:
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 - If the call-for-aid system is abandoned:
 - Do not evaluate call-for-aid systems if all pull stations have been removed and all that remains are the indicator lights, audible indicators, or annunciator panel.
 - The primary consideration is that no part of the user interface remains.
 - If the call-for-aid system is a button-only device, then do not record a deficiency for a missing pull cord.

WOW! That's a lot!



<https://usinspectiongroup.com/>



NCHFA Response Policy



All deficiencies/noncompliance require a response to the Physical Inspection Results Letter (within 30 days of receipt of letter)

- Life Threatening/Severe
- Moderate
- Low

Life Threatening and Severe items must be repaired within 24-hours

- Documentation that repair was made in that timeframe to be included in the Physical Inspection Response (30 days response)
- No 24 Hour separate documentation is required to be uploaded in RCRS



NSPIRE Items: No Longer Considered Grace Period and Now Considered **NONCOMPLIANCE**

- Bathroom Ventilation: All bathrooms must have a means of ventilation (Either mechanical or a window)
- Smoke Detectors: All smoke detectors must be hard wired OR have 10-year tamper proof battery
- Water Heaters: New requirement is for TPR piping to be between 2" and 6" from the floor/pan and be made of "approved" material
- GFCI: Required in all "wet" locations (interior and exterior) within 6 feet of a water source. If a major appliance outlet in "wet" area, the outlet must be GFCI protected or single use outlet
- Guardrails: Required for elevated heights of 30 inches or more
- Fire Labeled Doors (all defects)



<https://www.hud.gov/reac/nspire-notices>



HOME Program Final Rule **PROPERTY STANDARDS**

AI Assisted Image

Inspections- New Construction/Rehabs (Effective 1/1/2026)

92.251(a)(3)(vi)(A)

- 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

92.251(a)(3)(vi)(8)(2)

- each hardwired smoke alarm must have an alarm designated for hearing-impaired persons

NSPIRE

24 CFR 92.51(a)

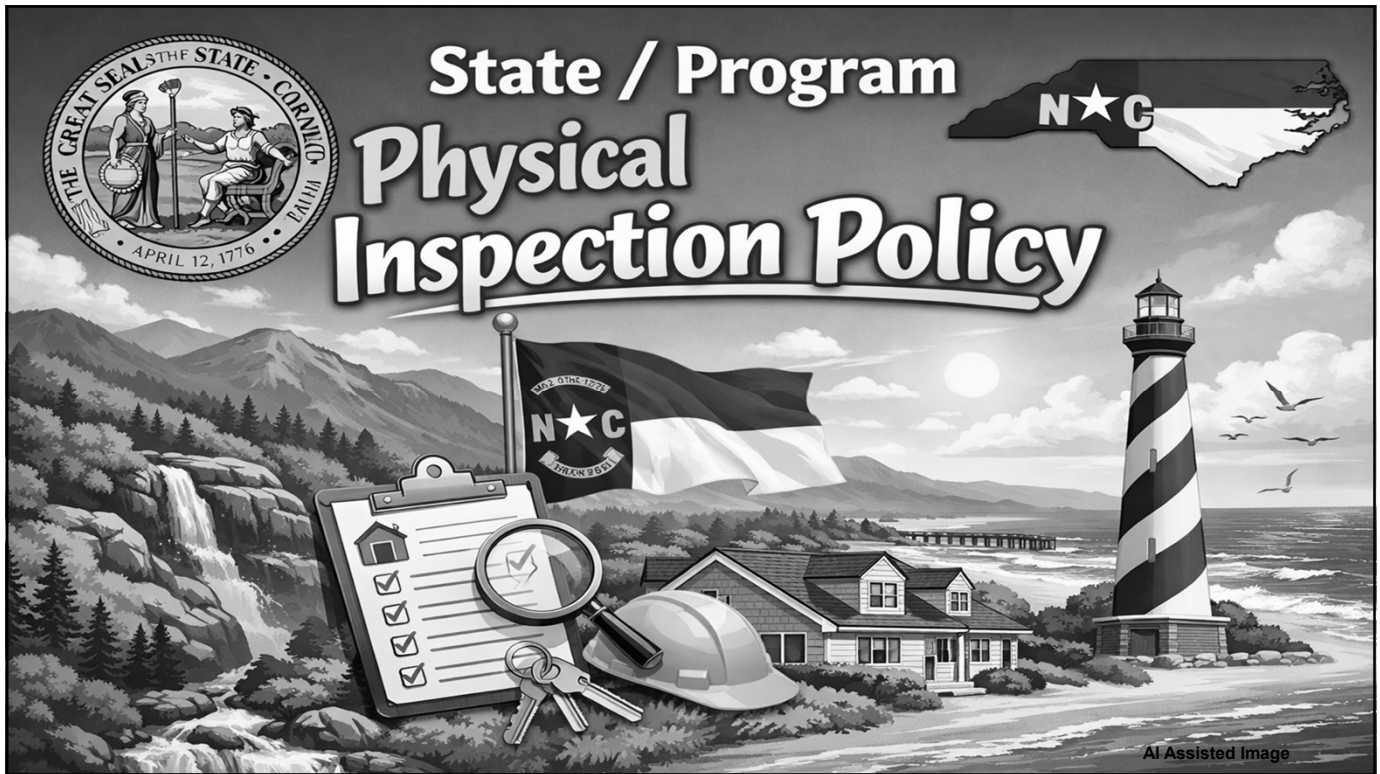
- Standards are accepted by HOME (as well as the Federal Alignment Program)

Environmental, health, safety hazard notifications

24 CFR 92.253(f)

- Added notification to the PJ as a requirement





Deficiency			2025 Top State Findings
Count	Standard Item	Deficiency	
615	Vacant Unit	Vacant longer than 6 months (rent ready or not)	2025 Top State Findings
490	Egress	Egress window blocked.	
340	Non-Inspectable Area	Area not inspectable for any reason	
323	Management Company Processes	Move in not reported in RCRS	
315	QAP	Roll in Showers: missing weighted shower curtain on properties allocated 2006 or later.	
304	Egress	Egress door will not open 90 degrees or will not latch.	
259	Accessibility	Accessibility issue.	
257	Egress	Egress 36" path of travel not available.	
257	Vacant Unit	Not rent ready within 30-days of move out	
249	QAP	Fire protection - no fire stops or fire extinguisher in unit on properties allocated 2007 or later.	
244	Documents	Documents: Sprinkler System Inspection	
220	Flammable and Combustible Item	Improperly stored flammable material (outside of NSPIRE)	
203	Documents	Documents: Fire Alarm and/or Fire Extinguisher Testing greater than 12 months or has unresolved deficiencies or report is unavailable	
194	Management Company Processes	Vacancy not reported in RCRS	
152	Market Appeal	Vegetation in unintended areas	
150	Sidewalk, Walkway, and Ramp	Drop off on sidewalk greater than 3/4 inch.	
149	Market Appeal	Indoor furniture observed outside.	

North Carolina Housing Finance Agency: Policy Update 4.0 Physical Inspection Noncompliance Items

Effective January 1, 2024

IRS Noncompliance – not included in NSPIRE

- Egress (sleeping rooms):
 - At least 2 points of egress must be unblocked (bedroom entry door AND a window)
 - Window: the full window must be open. Nothing above the window sill or blocking ANY part of the glass opening
 - Door: must open to 90 degrees minimum and latch
- Egress (living space & bathroom):
 - Only needs 1 point of egress (only the door counts as egress)
 - Door must open to 90 degrees minimum and latch
- Vacant Unit: must be rent ready within 30 days (no outstanding repairs or maintenance issues)
- Dryer Vents: bird cage type covers observed on outside dryer vents (building code violation)
- Accessibility: All amenities, common areas, and accessible units must be in compliance

Change History:

NSPIRE 4.0: Changed the grace period items for 2026, added interior walkway egress verbiage, removed Management Plan from documents

NSPIRE 3.0: Changed the grace period items for 2025

NCHFA – Updated 12/2025



<https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf>



NCHFA State Noncompliance



**WE CARE
YOU CARE.**



Curb Appeal:

- Indoor furniture observed outdoors (common areas and tenant patios)
- Excessive trash/litter/furniture observed throughout the property
- Cable/Telephone boxes: covers missing/exposed wires
- Graffiti: More than 1 sq. ft & permanent or Vulgar/gang related/threatening in any size
- Discarded smoking material in the mulch beds (potential fire hazard)

Vegetation:

- In unintended areas: nothing can touch/roof/siding/mechanical equipment or other unintended surfaces
- Overgrown/excess on fencing where it affects curb appeal
- Overgrown/excesses that blocks site exterior pole lighting



NCHFA State Noncompliance



Egress: All rooms/hallways should maintain a minimum 36" clear pathway to an exit

Fencing:

- Playground fencing must work as intended
- Decorative/dumpster enclosures no more than 20% damage (of total fence coverage)
- If sharp edges are observed, that will be noted as a NSPIRE health & safety violation

Wasp nest in common areas or areas that are subject to regular human contact or passage

Grease discarded on building components or in the landscaped bedding areas around the building



NCHFA State Noncompliance



Parking lot:

- Pooling of oil observed
- Damages that result in cracks/gap/spalling at parking lots/driveways/roads that are under the supervision of management can be considered trip hazard, as these areas can be used by pedestrians



- **All exterior electrical boxes/panels** must be zip tied



<https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf>



NCHFA State Noncompliance



Roof: observed 2 or more missing shingles in a single area of a roof

Retaining Walls: any size wall showing any sign of rot/deterioration/missing wall components (not landscaping borders less than 1 ft)

Erosion/Ponding:

- Large areas where soil has been displaced due to storm water
- Ponding where water is within 25 ft of building and no rain within 48 hours
- Any exposed footings on walkways and/or buildings (NSPIRE only cites when the rebar is exposed)



NCHFA State Noncompliance



Flammable Material: no gas/lighter fluid/self-starter charcoal can be in an enclosed space that is in or attached to a living space (NSPIRE only counts if within 3 ft of heating source)



Tires and/or Car Parts observed in the unit and/or storage

Trip hazard: including non-temporary cable/power cords, torn or lifted carpet, damaged thresholds

Unintended Drop-Offs: any sudden drop off a walkway greater than $\frac{3}{4}$ "



NCHFA State Noncompliance



Broken water heater pan or plug missing

Range:

- Appliance control display settings are faded/illegible
- Only oven safe items can be stored inside oven
- Silicone/foil/disposable liners under burners or oven elements are not acceptable

Kitchen Cabinetry: more than 20% of cabinetry is damaged (NSPIRE allows for 50%)

Kitchen Ventilation: self-circulating and vented range hoods will be treated as equal (NSPIRE does not inspect self-circulating)



NCHFA State Noncompliance



Tub: faucet or spout pulled away from wall (allows for water penetration)

Walls: Peeling/missing paint (regardless of year built) larger than 1 sq ft in a single room



Electrical Panel: No items can be covering/blocking

Sprinkler System: Any foreign object observed on the sprinkler (NSPIRE allows for 75% coverage)



<https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf>



NCHFA State Noncompliance



- **Any unit or room that is locked** and not inspectable – regardless of the reason
- **Evidence of feces or urine** in unit or indoor common areas (pet or human)
- **Drug Paraphernalia** of any kind observed
- **Open flames** left unattended (such as candles) and/or incense being burned in/on anything other than an incense burner (example: in light switches, walls, slats of doors, laying on counter tops)
- **Tenant provided fire extinguishers** must remain charged and in operable condition



NCHFA State Noncompliance



Repairs must be made with like material and in a professional manner (in all inspectable areas)

Doors:

- Interior Doors: any hole larger than 2" (golf ball size)
- Storm Doors: Inspectable and must function as intended (if screen included, will inspect like a window screen per NSPIRE)

Vacant Units:

- Utilities are not turned on during the inspection
- Units vacant over 6 months (rent ready or not) with no move-in scheduled



<https://www.nchfa.com/sites/default/files/2025-12/StateNoncompliance-NSPIRE.pdf>



QAP Requirements – State Noncompliance

- **Smoking:** All properties awarded credits 2015 or later, smoking not allowed within 25 ft of building
- Any time **oxygen** is available for use – smoking is prohibited (regardless of allocation date)
- **Fire Protection:** All properties awarded credits 2007 later, management is required to furnish fire stops OR fire extinguishers in each unit
- **Amenities:** Any amenity listed in the application that is offline, Unfurnished or not used for designated purposes



<https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2026-qualified-allocation-plan-qap>



Required Management Documents - State Noncompliance



- ✓ Tenant Selection Plan (bulletin board & RCRS)/House Rules

HOME FUNDED PROPERTIES:

- ✓ Affirmative Fair Housing Marketing Plan (bulletin board & RCRS)
- ✓ Blank Lease w/addendum(RCRS for RPP properties)



Tips for Compliance Physical & File Reviews



Monitoring Frequency – File & Physical

A list of units to be inspected will be presented after adjusting for previous circumstances

- 20% for less than 25 beds/units
- 10% for 25+ beds/units
- Units vacant over 30 days will be inspected

If affordability is over and loan has not been paid, the Agency will conduct a physical only. Completed annually, 10% of total units

Have a heavily monitored facility?
The Agency will likely conduct a curbside inspection annually.
Exterior only, no units.

Willfully offering misleading information to a inspector may result in the Agency placing the entire property in noncompliance status.



NOTE:

Monitoring and sample size may be increased at the Agency's discretion



Timing and Scheduling



Scheduling in RCRS

- Jan every year = compliance monitors enter ROUGH dates for all physical inspections and file reviews
- Check often for revisions (recommend checking monthly)
- Physical Inspections: Staff will email 30-60 days in advance
- Reschedule requests considered if requested **at least 2 months** in advance (rough schedule stage only)

February/2026	File Review	Tryon	Tammy Douglas	(919) 877-5654	tgdouglas@nchfa.com
March/2026	File Review	Maple	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
March/2026	File Review	Santre	Krista Zimmer	(919) 480-8947	kzimmer@nchfa.com
03/03/2026 9:00 A.M.	Physical		Steven James	(919) 981-2654	spjames@nchfa.com
03/09/2026 9:00 A.M.	Physical Inspection	Highm	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
03/09/2026 1:00 P.M.	Physical Inspection	Pennin	Susan Caulder	(919) 981-2641	sccaulder@nchfa.com
March/2026	Physical Inspection	Abbing	Tammy Douglas	(919) 877-5654	tgdouglas@nchfa.com

Rough Schedule: Only shows month/year

Confirmed Schedule: Shows date and Time

Files: Show month/year until files are requested

Contact information for compliance monitor conducting review



To access the monitoring schedule:
Log into RCRS, Click on "Monitoring Home" Tab

Notification Letters

Physical Inspections:

- Released in RCRS 15-days prior to inspection
- Includes "Tips for a Successful Property Inspection" and the State Noncompliance Policy 4.0 (effective 1/1/2024; updated 12/2025)

File Reviews:

- Released in RCRS 14-days prior to date files are due
- Includes a list of everything that is requested
- Use the 14-day window to self audit the files prior to submitting



REMINDER!

- Notification letters sent via RCRS system generated email that there is an action which needs attention
- Make sure roles are updated under Management Contacts



Top 10 File Review Issues

- Application not being completed correctly and completely
 - Leaving “other occupants” income/assets blank; No answers ALL questions (especially income/assets)
- Not completing and/or providing the Supplemental Information Form
- RCRS not being updated within 30 days (unit event and uploading documents)
- Management documents being outdate (TSP, AFHMP, etc.)
- RCRS not matching the provided documentation
 - Income not matching; rent amount and/or subsidy amount not matching
- Recertification documents not being uploaded
 - Make sure these are uploaded with the file review, not under the unit event
- Failure to upload ALL documents (missing forms, asset verifications)
- Duplicate asset verifications
 - If using the Asset Self Certification, you do not need to 3rd party verify
- HOME properties: not providing the 2 months source documentation
- Uploading unnecessary documentation (VAWA Addenda, too many bank statements, other lease addenda)



While we understand that mistakes happen, *repeated errors* indicate a need for stronger accountability.

File Reviews – Updating RCRS

- Recommend reviewing all data in RCRS monthly
 - Print the Property Activity Report (PAR)
 - Make sure all events are updated and none are missing
 - Make sure income, rent, subsidy, UA match (RCRS and documents)
- Ensure all move-ins have documents uploaded within 30 days
 - Not recerts, transfers, or updates
 - When AR is requested for the file review – upload the documents with the files, not under the buildings/unit
- Ensure management contacts are tagged correctly
- Check the notification flag for outstanding items

Please check your work 



File Review – Tips & Reminders

Read the notification letter – only provide what is requested

- Clarification Statement (use as needed)
- Income/Asset Calculation Worksheet (NCHFA version or software generated)
 - Show your work (calculations)
 - Update for HOTMA changes
- If you have questions, email the Compliance Monitor conducting the review

What to do with your 14-day time window

- Develop a plan
- Self audit – what is missing, check calculations, check what is documented versus what is in RCRS
- Review management documents – Tenant Selection Plan, Utility Allowances
- Have someone do a second check



Self-corrections are noted as
comments/observations and NOT noncompliance!
MAKE THE CORRECTIONS!

**Don't
waste the
14-days**

Top 10 Physical Inspection Findings

1. Unprotected GFCI/AFCI within 6 feet of a water source
2. Water Heater TPR valve terminates more than 6 inches or less than 6 inches from flood plane
3. Vacant unit – vacant over 6 months (rent ready or not)
4. Smoke alarm not installed where required
5. Call-for-Aid: blocked or pull cord terminates higher than 6 inches from floor
6. Egress: Window blocked
7. Door – General: passage door component is damaged, or missing and door is not functionally adequate
8. Sink: component is damaged or missing and the sink is functionally adequate
9. Electrical – Conductor, Outlet, and Switch: Exposed electrical conductor
10. Non-Inspectable Area: Area not inspectable for any reason



**Over 18,000
findings in
2025**

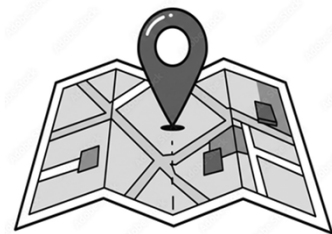
Physical Inspection – Tips & Reminders

What are we looking for?

- Ensuring the property and units are in compliance with:
 - NSPIRE, Funding and State specific requirements

Compliance Tips

- Have a preventative maintenance schedule
- Walk the property on a regular basis (all staff)
- Conduct random inspections
- When staff is in the units – look for work orders that may need to be generated
- Budget properly for replacements and big repairs
- Deferred maintenance costs more in the future
- Notify staff of the rough schedule month noted in RCRS
- Notify everyone as soon as the inspection date is confirmed
- Regularly review the standards/requirements and partake in training



Reminders - Inspection Day

Review of Building Inspection Reports

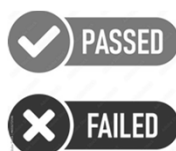
Annual 3rd party inspection of building systems (if applicable):

- Elevator(s)
- Fire Protection Inspections: sprinkler, alarm systems, backflow
- Emergency backup generator, chiller and/or water boilers
- Rechargeable fire extinguishers



Helpful Hints

- ❖ If reports are NOT available before inspector leaves the property, it will be recorded as noncompliance
- ❖ Inspection reports must show that the systems/components have passed within 12 months
- ❖ If failed inspection, must provide work order/invoice that items were corrected
- ❖ Any report showing failed components and not corrected will put the property/building in noncompliance



Reminders - Inspection Day

Unit Selection

Choosing Units to Inspect (Guidelines):

- Sample size is based on funding type and compliance period status
- Vacant Units: Policy will be reevaluated Annually
 - 2026: Agency will inspect 20% of vacant units over 30-days (up to a maximum of 10 units)
 - Prior to 2021: Agency inspected 100% of units vacant over 30-days
- The Agency may inspect additional vacant or occupied units as deemed necessary up to 100% of the units



Units that will NOT be chosen:

*Special conditions when Agency Staff may not want to inspect certain units

- Bedbug/insect infestation
- Resident under eviction
- Unit is under court related lock-out
- Resident with a contagious illness and/or terminal illness
- Vicious dog barking or growling at the door and resident is not home
- Resident of resident(s) that are verbally or physically abusive
- Minors where an adult is not home



Reminder:
Vacant units over 6 months (rent ready or not) will be inspected and state noncompliance issued if no move-in is scheduled



Reminders - Responding

File Reviews:

- Ensure to include all documents requested in the letter
- Do not back date corrections
- Do not use the "True and Accurate as of..." Statement
- Comments/Concerns do not require a response, but should be addressed internally to avoid potential future noncompliance

Keep correction documentation
in order of the Exhibit A

Physical Inspection:

- Failure to make 24-hour repairs within the 24-hours and continued practice of not making repairs timely may result in being removed from the Approved Management List
- Provide work order/invoice/picture documenting correction
 - Invoice: contractor/vendor completed the work
 - Work Order: maintenance completed the work
 - Picture: resident completed the work
- Make sure the invoice/work order includes the date work was completed (otherwise it will be considered incomplete)
- A bid/proposal is not satisfactory documentation that the finding has been corrected



We do NOT need a copy of the
compliance results letters.

**RESPONSE
REQUIRED**



Reminders - Responding

Letters Management Will Receive:

- Compliance Results Letter
 - Typically 30-days to respond
 - Can ask for an extension if needed for major repairs or unforeseen circumstances
- Final Results Letter
 - The 15-day grace period is GONE beginning 1/1/2026
 - Any open findings on this letter, to correct must be addressed in a Compliance Resolution Packet



Compliance Resolution Packet:

- Any outstanding open noncompliance must be corrected to remain in good standing with the Agency
- Owner/management creates/uploads compliance resolution packets in RCRS
- Agency does NOT send out reminder notifications of uncorrected noncompliance
- Open noncompliance does NOT show on the red notification bar in RCRS



Outstanding noncompliance will not show up here

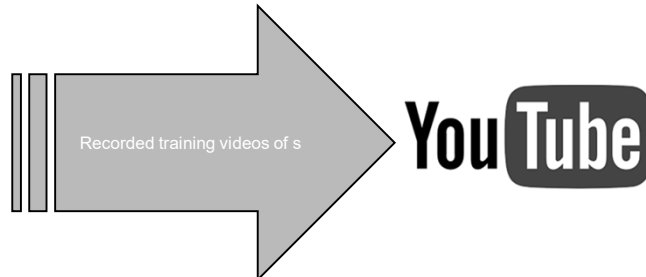


NCHFA - Training

Agency Sponsored Trainings Located: www.nchfa.com
Rental Housing Partners > Rental Owners & Managers > Train With Us

Rental Owner and Manager Trainings

- Registration for classes closes the two Thursdays before the week of training
 - Example: November 17, 2026 (Advanced Training) – Closes November 5, 2026 @ 12am
- Understand the NCHFA Refund/Cancellation Policy
 - Each person registering must click the box indicating they read and are familiar with the policy



NCHFA – 2026 Trainings

Date	In-Person/Virtual	City	Location
3/12/2026	In-Person	Wilmington	New Hanover Co-Op
5/19/2026	VIRTUAL	Raleigh	NCSU McKimmon Center
5/19/2026	In-Person	Raleigh	NCSU McKimmon Center
7/22/2026	In-Person	Statesville	Iredell County Co-Op
10/7/2026	In-Person	Asheville	Buncombe County Co-Op

**Supportive
Housing**

**Targeting
Program/KEY
Assistance**

Date	In-Person/Virtual	City	Location
3/10/2026	In-Person	Raleigh	NCSU McKimmon Center
3/10/2026	VIRTUAL	Raleigh	NCSU McKimmon Center
5/5/2026	In-Person	Statesville	Statesville Civic Center
9/15/2026	In-Person	New Bern	River Front Convention Center
10/22/2026	In-Person	Raleigh	NCSU McKimmon Center
10/22/2026	VIRTUAL	Raleigh	NCSU McKimmon Center



NCHFA – Training Material

- Supportive Housing Development Program Training
- Targeting Program & KEY Assistance
 - Updated after each virtual training to ensure the most up-to-date version
- RCRS Overview Presentation

Recorded training videos of virtual trainings have been added to the Agency YouTube Page

You Tube



File Review Monitoring Frequency

Timing of Reviews:

- Supportive Housing Projects are monitored annually
- File reviews
 - Conducted on-site with the physical inspection (Combined Inspection) or
 - *Emergency Shelters
 - Through RCRS, depending on the project type (Transitional or Permanent)



Combined Inspection

Emergency Shelter

Combined inspection is a review of the files and the physical condition of the property.

- Monitor will request the most recent intake/move-in files to review.
- Management will need to provide housing documents (only) to be reviewed
- Management will need to make sure there is a space available for the files to be reviewed by the monitor either before or after the physical inspection takes place.



Rough Scheduling In RCRS

Monitoring Activity - Date Scheduled in the format of Month/Year is tentative and will be firmed up prior to the indicated month

Date Scheduled	Monitoring Type	Property	Monitor	Phone	Email
02/12/2025 9:00 A.M.	Physical Inspection	Spring Branch Apartments	Steven James	(919) 981-2654	spjames@nchfa.com
02/25/2025 9:30 A.M.	Physical Inspection	L. Richardson Hospital	Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
02/25/2025 12:00 P.M.	Physical Inspection	Richardson Village	Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
03/13/2025 9:00 A.M.	Physical Inspection	Southgate Apartments	Krista Zimmer	(919) 480-8947	kzimmer@nchfa.com
March/2025	Physical Inspection		Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
March/2025	Physical Inspection		Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
March/2025	Physical Inspection		Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
March/2025	Physical Inspection		Krista Zimmer	(919) 480-8947	kzimmer@nchfa.com
April/2025			Steven James	(919) 981-2654	spjames@nchfa.com
April/2025			Steven James	(919) 981-2654	spjames@nchfa.com
April/2025		The terrace at Rocky Knoll	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
May/2025		Colony Place	Randa McCauley	(919) 981-2691	rmccauley@nchfa.com
May/2025	File Review	Rankin King Farms Apartments	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
June/2025	File Review	Southgate Apartments	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
July/2025	File Review	Colony Place	Lisa Alston	(919) 877-5669	lnalston@nchfa.com
September/2025	File Review	Churchview Farm	Lisa Alston	(919) 877-5669	lnalston@nchfa.com

Month of inspection

Compliance Monitor name & contact information

- Review this in January (and throughout the year)
- Contact compliance monitor if you see any potential conflicts

Preliminary Inspection Report - Physical Inspection

02/10/2026 9:30 AM

Observation Summary

Area	Severity					State Deficiencies
	Low	Moderate	Severe	Life-Threatening		
Unit	1	0	1	1		4
Inside	0	1	0	0		0
Outside	0	0	0	0		0
Total	1	1	1	1		4

Note: Observations having the same deficiency type are only counted once per area (e.g. hole in wall in kitchen and bedroom only counts as 1).

Property Observations

Inside > 103 B. WEST MAIN STREET (NC-02-00032103 W. Main Street)

Water Heater

The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.

Mechanical room - none two inches

Unit Observations

103 B. WEST MAIN STREET (NC-02-00032103 W. Main Street) Unit 1-E

Kitchen

Other

New Preliminary Inspection Report

- No more paper Physical Inspection Papers
- Copy of the Preliminary Inspection Report will be emailed to the signing management representative
 - Management representative is responsible for forwarding management staff/owner
- If WIFI is available at the property, the copy can be received prior to the inspector leaving

Unit Observations

Bldg 2, Thorne Ridge Circle (NC-98-00567) Unit 140

Bedroom 1

Smoke Alarm

Smoke alarm is not installed where required.

Missing.

Warning: 24-hour correction required

Bedroom 2

Smoke Alarm

Smoke alarm is not installed where required.

Missing.

Warning: 24-hour correction required

Bedroom 3

Smoke Alarm



The Preliminary Inspection Report

- Will identify corrections that must be made within 24-hours
- Corrective documentation should indicate repair made within 24-hours
- Included with Management's response to the results letter (30 days)



24-Hour Correction Required

Home Property List Property Menu Actions

9000977 -> Thorne Ridge Apts -> Physical Inspection Details -> 2024 Physical Inspection

2024 Physical Inspection										Return to Physical Inspections	
General											
Dates											
Units											
Findings	Findings	Deficiency	Building	Unit	Description	Notes	Finding Type	Finding Status	Date Corrected		
	Electrical - Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) - Outlet or Breaker	(24 Hour Fix) An unprotected outlet is present within six feet of a water source.	No Building Selected	No Unit Selected	Public Laundry Room - The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	Compliance Issue	Cleared			
	Documents	Documents: Affirmative Fair Housing Marketing Plan	No Building Selected	No Unit Selected	The plan uploaded in RCRS is dated 10/26/2020. The plan posted at the property is dated 2/17/2006.	Provide evidence that the correct plan has been posted at the property.	Compliance Issue	Un-Corrected			
	Documents	Documents: Tenant Selection Plan	No Building Selected	No Unit Selected	The plan uploaded in RCRS is dated 4/5/2020. The plan posted at the property is dated 10/16/2019.	Provide evidence that the correct plan has been posted at the property.	Compliance Issue	Un-Corrected			
	Wall - Interior	Interior wall has a loose or detached surface covering.	NC-98-00566	116	Bathroom 1	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected			
	Water Heater	(24 Hour Fix) An unprotected outlet is present within six feet of a water source.	NC-98-00566	116	Storage area -> The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	Compliance Issue	Cleared			
	Smoke Alarm	(24 Hour Fix) Smoke alarm is not installed where required.	NC-98-00566	116	Bedroom 1 -> Missing.	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected			
	Smoke Alarm	(24 Hour Fix) Smoke alarm is not installed where required.	NC-98-00566	116	Bedroom 2 -> Missing.	Provide a copy of the work order or invoice to document the correction.	Compliance Issue	Un-Corrected			

24-Hour Correction Notice will show up in RCRS under the finding tab



Reviews - Results Letter

- Notifies Owner and Management of findings observed, and corrective action required if applicable
- Management will upload all responses (in PDF format) into RCRS within the allotted response timeframe (only noncompliance items require responses)



Exhibit A All Creatures Farm Community Friday, February 16, 2024						
Noncompliance Issues:						
Bin #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	2/16/2024	IRS	The site sign is damaged and not legible	Please provide a work order or invoice documenting the correction	Uncorrected
NC-20-007777	77	2/16/2024	IRS	The hall smoke detectors is missing	Please provide a work order documenting the correction	Uncorrected
NC-20-007777	77	2/16/2024	State	Observed evidence of smoking material (cigarette butts in the hall bathroom toilet	Please provide evidence that the violation was addressed with the resident	Uncorrected
NC-20-007777	All	2/16/2024	State	Observed a hole in the siding that allows water penetration to the left of Unit #77 entry door	Please provide a work order documenting the correction	Uncorrected

Exhibit A Thorne Ridge Apts Agency ID#: 9000977 July 4, 2024						
Noncompliance Issues:						
BIN #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	07/01/2024	State	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker-(24 Hour Fix) An unprotected outlet is present within six feet of a water source. => Public Laundry Room - The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	No Finding
All	All	07/01/2024	State	Documents-Documents: Affirmative Fair Housing Marketing Plan => The plan uploaded in RCRS is dated 10/26/2020. The plan posted at the property is dated 2/17/2006.	Provide evidence that the correct plan has been posted at the property.	Uncorrected
All	All	07/01/2024	State	Documents-Documents: Tenant Selection Plan => The plan uploaded in RCRS is dated 4/5/2020. The plan posted at the property is dated 10/18/2019.	Provide evidence that the correct plan has been posted at the property.	Uncorrected
NC-98-00566	116	07/01/2024	State	Wall - Interior-Interior wall has a loose or detached surface covering. => Bathroom 1	Provide a copy of the work order or invoice to document the correction.	Uncorrected
NC-98-00566	116	07/01/2024	State	Electrical – Ground-Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) – Outlet or Breaker-(24 Hour Fix) An unprotected outlet is present within six feet of a water source. => Storage area => The laundry electrical outlet is not GFCI protected and within six feet of a water source.	This issue is grandfathered for 2024 inspections, effective 1/1/2025, this issue will be cited as noncompliance observed.	No Finding
NC-98-00566	116	07/01/2024	State	Smoke Alarm-(24 Hour Fix) Smoke alarm is not installed where required. => Bedroom 1 => Missing.	Provide a copy of the work order or invoice to document the correction.	Uncorrected
NC-98-00566	116	07/01/2024	State	Smoke Alarm-(24 Hour Fix) Smoke alarm is not installed where required. => Bedroom 2 => Missing.	Provide a copy of the work order or invoice to document the correction.	Uncorrected

24-Hour Correction Required

24-Hour Correction Notice will show up in the Results Letter



Failure To Make 24-Hour Repairs

24 hour repairs not being completed timely, and a continued practice of not making timely repairs, may result in not good standing with the Agency.



Reviews - Final Report Letter

Exhibit A
All Creatures Farm Community
Friday, February 16, 2024

Noncompliance Issues:

Bin #	Unit #	Out of Compliance Date	Type of Noncompliance	Noncompliance Identified	Corrective Action	Date Corrected
All	All	2/16/2024	IRS	The site sign is damaged and not legible	Please provide a work order or invoice documenting the correction	3/4/2024
NC-20-007777	77	2/16/2024	IRS	The hall smoke detectors is missing	Please provide a work order documenting the correction	Uncorrected
NC-20-007777	77	2/16/2024	State	Observed evidence of smoking material (cigarette butts in the hall bathroom toilet	Please provide evidence that the violation was addressed with the resident	3/4/2024
NC-20-007777	All	2/16/2024	State	Observed a hole in the siding that allows water penetration to the left of Unit #77 entry door	Please provide a work order documenting the correction	No Findings



- After compliance monitor reviews management's response, the final report is released
- Notifies Owner & Management of corrective dates for noncompliance cited or cleared findings
- If items are left uncorrected, a compliance resolution packet will need to be submitted through RCRS to clear/correct items

Reviews – Compliance Resolution Packet

- Uncorrected noncompliance (State/Program) remaining from the closed monitoring review, must be corrected to remain in good standing (Owner/Management)
- The owner/management company creates/uploads compliance resolution packet in RCRS
- Monitor will review provided documentation and mark findings as: corrected, cleared/no finding/uncorrected with correction action plan required
- The Owner Response Follow-up letter uploaded in RCRS
- Agency does not send out reminder notifications of uncorrected noncompliance



Instructional videos posted on the NCHFA Asset Management YouTube Channel



Monitoring Requirements: File Review



What is a file review?



- A review of resident and property files
- NCHFA conducts off-site
- Review documents and records
- Confirms program compliance

Why File Reviews Matter

- Ensure policies are being followed (external and internal)
- Protect program funding
- Support fair and consistent housing practices



What Files Reviews Look At



- Tenant income and assets
- Legible documentation
- Rent policy compliance
- Lease and certifications
- Program specific requirements



File Review Solutions vs Penalties

- Maintain good standing with regulatory agencies, investors, owners
- Reduces risk of loss of future funding
- Strengthens compliance history

File Reviews Support Residents

- Ensures accurate rents (assisted units and set-a-sides)
- Confirms eligible households
- Promotes fair treatment



Common File Review Issues



- Missing documentation
- Incorrect income calculations
- Incomplete documentation forms (verifications, certifications)
- Rent errors
- Outdated forms
- Failure to enter unit events/upload documents in RCRS in a timely manner

Best Practices for Success

- Keep files organized
- Review files regularly
- Training Staff
- Correct errors promptly
- Ask questions early – we are here to help!



DID YOU KNOW?

Regulatory Agencies such as North Carolina Housing Finance Agency are audited by federal and state government that provide funding to ensure program compliance?

A graphic titled "RCRS UPDATE REMINDER" featuring a desk with two computer monitors. The left monitor shows a login page for the North Carolina Housing Finance Agency with fields for "Email Address" and "Password", and a "Sign in" button. The right monitor displays the agency's logo and name. On the desk, there is a potted plant, a pen holder, a mug, and a folder. Below the monitors, there is a megaphone icon and a calendar icon with a checkmark. The text "AI Assisted Image" is visible in the bottom right corner of the graphic.

RCRS UPDATE REMINDER

AI Assisted Image

NORTH CAROLINA HOUSING FINANCE AGENCY
HousingBuildsNC.com

www.nchfa.com
Rental Housing Partners > Rental Owners & Managers >
Policies, Resources & Forms > Log in to RCRS

A small icon representing accessibility, showing a person in a wheelchair next to a document icon.

Entering Income in RCRS

Home Property List Property Menu

Add Income

Tenant*:

Income Type*:

Income Period*:

Income Validation Source:

Amount*:

OK Cancel

Wages

Social Security Pensions

Public Assistance

Other Income

Business (including distributed profits and net income from business)

Child Support

Federal Wage

General Assistance

Indian Trust

Military Pay

Other Non Wage Source (including alimony, unemployment benefits)

Pensions (including veterans pensions, military retirement, and income from all other pensions and annuities)

Supplemental Security Income (both personnel benefit and state supplements administered by SSA) (SSI)

Social Security (both personal and dual entitlements)

TANF (Temporary Assistance for Needy Families)

Unemployment

Non-Federal Wages (includes salaries, time commission bonuses, and other income from employment)

Select The Income Type

Note the expanded sections when choosing the income type



<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>



2026 Annual Adjustments



0.40%
**HUD Passbook
Rate**

Just Announced
2.8%
COLA Increase

\$550
**Elderly/Disability
Deduction**
(Not Applicable for LIHTC)

Adoption Assistance
Payments

FT Student
Dependent
Income

Dependent
Deduction
(Not applicable for LIHTC)



\$500

\$52,787

Non-Necessary Personal Property
Threshold

Self Certification of Assets Cap

Imputed Asset Income Threshold

\$105,574

Asset Limitation
(Not applicable for LIHTC)



Annual Adjustments

	2026	2025	2024
Imputed Asset Income Threshold	\$52,787	\$51,600	\$50,000
Non-Necessary Personal Property Inclusion Threshold	\$52,787	\$51,600	\$50,000
Asset Self-Certification Threshold	\$52,787	\$51,600	\$50,000
Earned Income Exclusion for Dependent Adult Full-Time Students	\$500	\$480	\$480
Adoption Assistance Exclusion	\$500	\$480	\$480
HUD Passbook Rate	0.40%	0.45%	0.40%



Certification vs Verification

Certification: Completed by the applicant/resident

Verification: Completed by a third-party individual

Reminder:

- Completed in their entirety – no sections left incomplete
- Blank sections – acceptable to use a clarification for missing information
- Not permissible to correct forms – provide a new form to complete



HOTMA & NCHFA Verification Hierarchy

Highest

- Upfront Income Verification (Paystubs, statements, ATM receipts – for debit/pay cards)
- ~~Enterprise Income Verification (EIV)~~
- ~~UIV using Non-EIV (Work Number or similar verification)~~

**NCHFA
Does Not Allow**

Medium

- Written, third-party verification form (Employment, Asset Verification)

Medium – Second Choice

- Oral third-party verification (Clarification Statement or similar form)

Low

- Self-certification (not third-party verified) (Applicant/resident affidavit – document why)



Is the Disposed of Asset Cert. Required?

No

RENTAL APPLICATION

Development Name: _____
Phone Number: _____ Address: _____

Office Use Only:
New Rec'd _____
By (initials) _____
Email: _____

RECERTIFICATION QUESTIONNAIRE

Development Name: _____
Phone Number: _____ Address: _____

The following is to be completed in its entirety by household members ages 18 and older.
Please answer ALL questions. Do not leave any blank spaces. Write NONE or N/A where appropriate. Please print.

PART 6- SIGNATURES:

Must be signed and dated by all members of the household age 18 & older:

I/we understand that the above information is being collected to determine eligibility for residence.

I/we certify that all assets currently held or previously disposed of and all income sources have been listed on this application. I/we further certify that the statements made in this application are true and complete to the best of my/our knowledge and belief and are aware that false statements are punishable under Federal law.

I/we authorize the owner/manager to verify information provided on this application and the signature(s) below are the consent to obtain such verification.

Printed Name _____

Signature _____

Date _____

PART 2 - SELECT ONE OPTION:

☐ Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) below fair market value (FMV). Those amounts equal a total of: \$ _____ (enter the difference between FMV and the amount you received).

☐ I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

All household members age 18 or older must sign and date.

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.

ASSET SELF-CERTIFICATION

ANNUAL ASSET THRESHOLD: _____

Development Name: _____

Head of Household Name: _____

Unit No: _____

Certification Type: ☐ Initial

☐ Recertification (Effective Date: _____)

For households whose combined assets do not exceed the annual asset self-certification threshold. Complete only one form per household. Include assets of all household members including children. Form cannot be used for HOME/NOTES at move-in.

If the NCHFA Rental Application/Recertification Questionnaire, Self Asset Certification (NCHFA form is a required form) or similar form that contains the term "I/we Certify" is used the Disposed of Asset Certification is no longer required

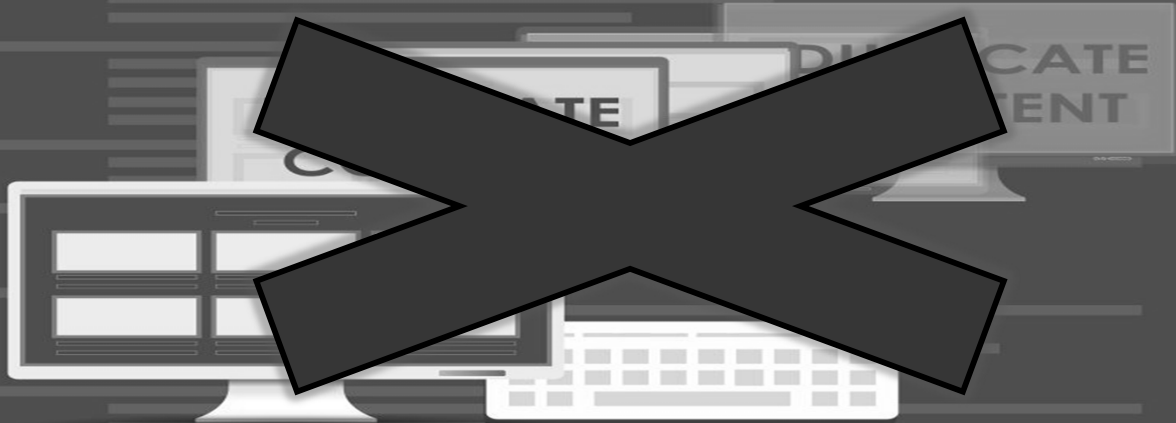


Yes

If the Rental Application/Questionnaire used does not contain the required verbiage and the NCHFA Self Asset Certification is not used, a Disposed of Asset Certification is required



Duplicate Asset Verifications



Self-Asset Certification, Third-party Verification, Etc.



Income Exclusions (updated 1/31/2024)

Federal Register / Vol. 89, No. 21 / Wednesday, January 31, 2024 / Notices

6127

Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.

SUPPLEMENTARY INFORMATION: Under several HUD programs (Mortgage Insurance and Interest Reduction Payment for Rental Projects under 24 CFR part 236; Section 8 Housing Assistance programs; Public Housing programs); HOME Investment Partnerships Program under 24 CFR part 92; Housing Trust Fund under 24 CFR part 93; Housing Opportunities for Persons With AIDS under 24 CFR part 574, the definition of income excludes amounts of other benefits specifically excluded by Federal law.

Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*) to more accurately capture the language of 25 U.S.C. 4103(9), listed as exclusion (23);

(5) Corrects that any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)), listed as exclusion (25);

(6) Corrects that the first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made

Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C. 5058), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 *et seq.*) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This



<https://www.govinfo.gov/content/pkg/FR-2024-01-31/pdf/2024-01873.pdf>



NCHFA

Lease Addendum Requirements

HOME Lease Addendum

- Required for move-ins effective 6/19/2019
- Required to be executed for existing households for recertifications effective 6/19/2019
- FOR HOME properties: NCHFA requires all units to float as HOME units

National Housing Trust Fund (NHTF) Lease Addendum

- For NHTF properties: NCHFA requires all units to float as NHTF units

Addendum Reminders:

- Must use applicable addendums for all funding sources at your property
- ***Does not have to be executed annually, just at move-in***



Typical Income Calculations

Hourly Rate Calculation

- Hourly Rate X Hours Worked X Pay Frequency = Annual Income

Average Pay Stubs

- Total Pay Stubs / # of Pay Stubs X Pay Periods = Annual Income
- Minimum of two, most recent, consecutive paystubs required – **HOTMA Change**
- HOME and NHTF require two month source documentation – **If HOME/NHTF Only**
- 52 Pay Periods = Paid Weekly, 26 Pay Periods = Paid Bi-Weekly, 24 Pay Periods = Paid Twice a Month

Misc. Unearned Income

- Amount Received X Pay Frequency = Annual Income
- Social Security, SSI, Public Assistance (TANF), Child Support, Gift Income, etc.



Typical Asset/Income Calculations

Checking, Savings & Money Market

- Current Balance X Interest Rate = Interest Income
- Checking – use current balance – **HOTMA Change**

Certificate of Deposit (CD)

- Current Balance – Penalty to Withdraw = Cash Value
- Cash Balance X Interest Rate = Asset Income

Stocks, Crypto-Currency: Bitcoin, Ether, Ripple, etc.

- Number of Shares X Stock Price – Cost of Turn Stocks in Cash = Cash Value
- Number of Shares X Dividend = Asset Income

Whole Life Insurance

- Cash Value = Surrender Value (Asset Value)
- Surrender Value X Interest = Interest Income (if applicable)



Required Forms



Required for ALL households

Participant Eligibility Certification

- Revised Form – Updated 3/2023
- Household certifies meeting the special occupancy requirement



SHD PARTICIPANT CERTIFICATION

Completed by each household indicating the special needs population met per Regulatory Agreements/Documents

Development Name: _____

Head of Household Name or ID: _____

Unit No/Bed No/ID No: _____

This is to certify that the above named individual or household meets the Special Needs occupancy requirement specified in the Declaration of Deed Restrictions. Please select which option best describes your current situation:

☐ **CATEGORY 1 - LITERALLY HOMELESS**

Individual or family who lacks, regular and adequate nighttime residence, meaning:

- Primary nighttime residence is public or private and not meant for human habitation;
- Living in a public or privately-operated shelter (congregate shelters, transitional housing and hotels and motels are paid for by charitable organizations or federal, state and local government)
- Exiting an institution where I have resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution



Required Forms

Emergency/Shelter Housing

Tenant Affidavit

- Revised Form – Updated 12/2022
- Household certifying income eligibility at initial occupancy.



SHD TENANT AFFIDAVIT

Completed at initial in-take for all households residing in short term occupancy arrangements such as Emergency Shelters, Hospice Care Facilities and Licensed Group Homes funded through NCHFA.

Date: _____

Development Name: _____

Head of Household Name or ID: _____

Unit No/Bed No/ID No: _____

READ THIS DOCUMENT CAREFULLY TO BE SURE THAT INFORMATION IS TRUE AND COMPLETE BEFORE YOU SIGN IT.

The Tenant Affidavit is valid up to 90 days. Residents residing longer than 90 days must complete an application, have income/assets 3rd party verified and sign a Tenant Income Certification.

PART 1 – SELECT ONE OPTION:

☐ I/we do not have any income at this time (If selected, move to Part 3, then sign);

☐ I/we do have income at this time pursuant to the description below (If selected, move to Part 2, then sign);

Total income includes: wages, salary, overtime pay, commissions, fees, tips, and bonuses before deductions; interest and dividend payments; TANF; social security benefits; annuities; pensions; retirement funds; disability benefits; alimony; child support; and other regular contributions – source documents will be provided upon request.



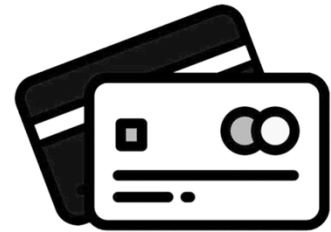
Required Forms

For Transitional and Permanent Housing

Asset Self-Certification

Form must be completed unless third party verification of all assets is required i.e. HOME or combined assets exceed \$52,787

- N/A for HOME funded projects
- All blanks must be completed (N/A vs. -0-)
- Asset disposition addressed



ASSET SELF-CERTIFICATION

ANNUAL ASSET THRESHOLD: _____

Development Name: _____

Head of Household Name: _____ Unit No: _____

Certification Type: ☐ Initial ☐ Recertification (Effective Date: _____)

For households whose combined assets do not exceed the annual asset self-certification threshold. Complete only one form per household; include assets of all household members including children. Form cannot be used for HOME/NHTF at move-in.

PART 1 – SELECT ONE OPTION:

- ☐ I/we do not have any assets at this time (move to Part 2):
- ☐ I/we have the following assets (enter n/a if you do not own the respective asset):

Note: Be sure to include the value of any cash or other asset in a safe deposit box or any other means of storage.
 * Cash value is market value minus cost to convert an asset to cash, such as broker's fees, settlement costs, outstanding loans, penalties for early withdrawal, etc.

NON-NECESSARY PERSONAL PROPERTY							
TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME	TYPE OF ASSET	CASH VALUE*	INTEREST RATE (IF APPLICABLE)	ANNUAL INCOME
Non-necessary personal property (non-account assets such as RVs, ATVs, boats, antique cars, stamp collections, etc)				Annuities (current balance)	\$		\$



Required Forms

For Transitional and Permanent Housing



Tenant Income Certification

- The Tenant Income Certification is required at move in for permanent and transitional housing and is completed after verification of income and assets.
- The HUD Income Certification required for developments with HUD project-based rental assistance is allowed in lieu of the NCHFA cert.



Tenant Income Certification

☐ Initial Certification ☐ Recertification ☐ Other: _____

(MM/DD/YYYY)

Effective Date: _____

Move-in Date: _____

Part I - Development Data

Property Name: _____ County: _____ Agency ID# _____ ID# _____
Address: _____ Unit Number: _____ # of Bedrooms: _____

Part II - Household Composition

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Last 4 digits of SS#	Race	Ethnicity	Disabl
1				HEAD					
2									
3									
4									
5									
6									
7									

Part III - Gross Annual Income (Use Annual Amounts)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income



Required Forms



Exceptions:

- Households comprised entirely of children do not have to complete an income certification
- Programs/loans with no income restrictions, such as licensed group homes are not required to complete a Tenant Income Certification



RCRS Requirements

Unit events are required to be updated in RCRS within 30-days from the unit event date

- Move-ins
- Updates
- Move-outs
- Includes Market and Employee Units

Move-in documents uploaded within 30 days of move-in

- Lease-ups – 90 days allowed to upload

Recertifications: HOME Funded/DHHS Targeted

Document uploads are required for Targeting Units.



For additional RCRS instructions, when logging in RCRS, on the “Home” page, click on “Announcements” and select “Welcome! (Includes link to instructions)”



RCRS Reminders

Building Browser

- Buildings
 - NC-02-00033
 - NC-02-00186
 - Move In - 04/29/2024
 - Recertification - 05/01/2023
 - Transfer In - 05/01/2022
 - Move Out - 04/30/2022
 - Recertification - 02/01/2022
 - Recertification - 02/01/2021
 - Move In - 02/01/2020
 - Transfer Out - 11/18/2019
 - Recertification - 03/01/2019
 - Recertification - 03/01/2018
 - Recertification - 03/01/2017

Unit Event Documents

RCRS Management Company Process Suggestions

Select a File Type:

Description (Optional):

Add Document Slot

Document Type	File	Date Uploaded	Uploaded By
View Tenant Income Certification	M	6/12/2024 11:14 AM	YOUR NAME HERE
View Income Asset Worksheet		6/12/2024 11:15 AM	
View Rental Application		6/12/2024 11:16 AM	
View Annual Study		6/12/2024 11:17 AM	
View Disposed of	pdf	6/12/2024 11:18 AM	
View Asset Verification (Hand)	nd.pdf	6/12/2024 11:20 AM	
View Asset Verification (Banking)	M	6/12/2024 11:21 AM	

NORTH CAROLINA HOUSING
FINANCE AGENCY
HousingBuildsNC.com



HUD HOTMA

AI Assisted Image

NORTH CAROLINA HOUSING
FINANCE AGENCY
HousingBuildsNC.com



HOTMA Guidance

For published PIH/MFH housing notices, webinars and other Implementation assistance, refer to the HUD Exchange

Resources and assistance to support HUD's community partners

NEED HOUSING ASSISTANCE? Email Updates Log In

 **HUD EXCHANGE**

Programs ▾ Resources ▾ Trainings ▾ Program Support ▾ Grantees ▾ News



HOTMA
The Housing Opportunity Through Modernization Act of 2016 (HOTMA) was enacted in 2016 and affects public housing and Section 8 rental assistance programs.

[Learn about HOTMA](#)



<https://www.hudexchange.info/programs/hotma/>



NCHFA HOTMA Effective 7/1/2025

Blended Properties w/ HUD Rental Assistance: 1/1/2026

- After careful consideration, the Agency has decided to delay implementing HOTMA for properties in our portfolio **7/1/2025**
- Blended properties with HUD Rental Assistance – must implement HOTMA for all certifications effective 1/1/2026
- The Rental Compliance Reporting System (RCRS) will be updated in time to allow for 1/1/2025 implementation date, as discussed in prior training
- Major difference triggered by the change: All income certifications with an EFFECTIVE date of 7/1/2025 will be required to be HOTMA-compliant. Blended properties with HUD RA certifications effective date of 1/1/2027 will be required to be HOTMA-compliance. (If we had implemented in January, we would go by signature date instead of effective date.)
- We have updated our forms with the most recent guidance
- The updated policy and forms will be available on our website

Refer to NCHFA HOTMA 7.0: Policy Update – Effective 12/2025



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



North Carolina Housing Finance Agency: Policy Update 7.0 Housing Opportunity Through Modernization Act (HOTMA)

Required for all certifications effective 7/1/2025 or later (effective date not signature date)

Income (inclusions, exclusions, calculations)

24 CFR § 5.609 (c)

- Inclusions: HOTMA removed the sources of income listed in 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)
 - Note: See Student Financial Assistance Section
 - Student employment income: Earned income of dependent full-time students is excluded in excess of the amount of the deduction for a dependent
 - Adoption Assistance: Include Adoption Assistance up to an amount equal to the current Dependent Deduction
- Exclusions:
 - Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
 - Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
 - Temporary, nonrecurring, or sporadic income
 - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
 - Day laborers, independent contractors, and seasonal workers are NOT considered temporary, nonrecurring, or sporadic and are all specifically included in family income
 - Workman's Compensation 24 CFR § 5.609 (c)(5)
 - Earned income of children under the age of 18 years

**Updated Version
12/2025**



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy Income - 24 CFR § 5.609 (c)

Inclusions:

HOTMA removed the sources of income listed on 24 CFR § 5.609 (b) and instead replaced by an expanded and clarified list of income exclusions in 24 CFR § 5.609 (c)



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Income - 24 CFR § 5.609 (c)

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- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from food banks or similar organization
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 - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
 - Day laborers, independent contractors, and season workers are **NOT** considered temporary, nonrecurring, or sporadic and are **all specifically included in family income**
- Workman's Compensation 24 CFR § 5.609 (c) (5)
- Earned income of children under the age of 18 years



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Income - 24 CFR § 5.609 (c)

Verifications:

- Only required to obtain a minimum of TWO consecutive paystubs, no matter how often the individual is paid
 - If property is HOME/NHTF only: requirement remains unchanged: two MONTHS worth of pay stubs (**HOME Final Rule Change**)
- When utilizing the **safe harbor** means-tested income determination:
 - The NCHFA form must be utilized; OR
 - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form
 - **New for HOTMA and Included in the New HOME Final Rule Change**



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



Safe Harbor Reminders

If owners opt to use these third party-verifications, they must:

- Include the tenant's family size and composition
- Include family's annual income (or state that the family's income is below the applicable limit)
- Be within the previous 12-months period of time
- Income determination effective date;
- Family's signature date;
- Report effective date; or
- Other report-specific date that verify the income determination date



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



Additional Safe Harbor Notes

- The family's annual income does not need to be broken down by family member or income type (**included asset income**)
- Owners are not permitted to mix and match Safe Harbor income determination and other income verifications
- If the verification is not available or the household disputes the verification, then the owner must conduct a traditional verification and calculation



FAIR
HOUSING FOR ALL



CHECKING WHAT WE HAVE LEARNED

Beryl comes into your office to do her certification paperwork at your property, Magnificent Freebirds Apartments. She is going to use the “Safe Harbor Verification” method from the local WIC office. You send the NCHFA Safe Harbor Verification form to the WIC office and they return the form. Beryl, on her paperwork list herself and four little dependents. The documentation from the WIC office looks good, except the household composition on the document indicates Beryl and her six little dependents. When you ask Beryl about the discrepancy, she tells you that the two extra are her sister’s dependents that will not be staying with her, she included them to get a larger WIC benefit.

Can this documentation be used?



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy Assets - 24 CFR § 5.609 (e)

Asset Exclusions (24 CFR § 5.60 (b)(3))

Necessary personal property

- Items essential to the household for day-to-day employment, education, health & wellness

Examples: furniture, clothing, medical equipment, common electronics

Nonnecessary personal property with a combined value less than the asset self-certification threshold is excluded

- Items not essential to the household for day-to-day employment education, health and wellness
- Examples: recreational vehicles, bank accounts, collectibles



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Assets - 24 CFR § 5.609 (e)

Asset Exclusions (24 CFR § 5.60 (b)(3))

Retirement Plans recognized as such by the IRS, www.irs.gov

- Annuities, Stocks, bonds, CDs, etc. that are part of a retirement are also excluded
- If receiving a distribution, the distribution is considered income

Federal & State Refunds

- If total net family assets exceed annual asset self-certification threshold the value of the tax return must be verified



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



CHECKING WHAT WE HAVE LEARNED

Blake has a 401k account with a cash value of \$250,000. He takes a Required Minimum Distribution (RMD) quarterly in the amount of \$10,000. How would you treat his 401k account at move-in?



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



Checking What We Have Covered

ROOMMATE HOUSEHOLD:

Anne has cash on hand in the amount of \$1,000, Mary has a CashApp balance of \$1,000 and Grace has a checking account with a cash value of \$5,000 that pays .25% interest annually. Combined, the three received a state and federal tax return in the past 12-month in the amount \$4,000.

What is the household combined total cash assets value?

What is the household combined income from assets?

How does the tax returns impact assets?



2026 Asset Threshold: \$52,787

<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



Checking What We Have Covered

Cutler has a checking account with a cash value of \$5,000 that pays no interest, Hawk has cash on hand of \$5,000 and real estate that has a cash value of \$75,000 that have all been verified. In the past twelve-months, they have a combined federal and state tax return of \$2,000 that has been verified with copies of their filed tax returns.

What is the total household combined assets?

Can the Asset Self-Certification be used?

What is the total household income from assets?

How does the combined tax return impact assets?



2026 Asset Threshold: \$52,787

<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Assets - 24 CFR § 5.609 (e)

Real Property in NC:

- Land/building or structure/permanent fixture: Always counted as an asset 24 CFR § 5.100
- A single/double wide home: if local office deems it personal property, it is not included as an asset and not listed on TIC
- Real property where the household does not have the legal authority to sell is excluded



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Assets - 24 CFR § 5.609 (e)

Asset Verification

Asset Self-Certification:

- *If property is HOME/NHTF only: must continue to third party verification of ALL assets at move-in (Included in the New HOME Final Rule Change)*
- When total household assets are below annual self-certification threshold, certify using the Asset Self Certification (NCHFA form is a required form)
- When total household assets exceed asset self-certification threshold, all assets must be 3rd party verified
 - Unless tax return reduces household assts below the annual asset self-certification threshold
 - For ALL funding sources, the Asset Self Certification is permissible at annual recert
 - Checking Accounts: 6-month average is no longer required. New requirement is the current balance, just as a savings account
 - Joint Assets: Total cash value of the asset is counted (no matter the % of ownership to the household member; unless the asst is otherwise excluded or unless the household can demonstrate the asset in accessible



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy Assets - 24 CFR § 5.609 (e)

Disposed of Assets:

- All disposed of assets need to be considered. Removed the \$1,000 threshold
- Actual income from assets is always counted, regardless if the asset itself is excluded (i.e. interest on a checking account)

Note: Guidance, particularly related to assets, is constantly changing, more information on asset requirements to come in the future



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy Assets - 24 CFR § 5.609 (e)

Asset Income

- Impute assets only when total assets exceed annual asset self-certification
- Impute ONLY those where asset income is not verifiable
- Impute using current HUD passbook rate
- Never impute ALL assets: Land does not have a verifiable asset income because it does not produce income (land will be always be imputed)



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Child Support - 24 CFR § 5.609 (a)(1)(2)

- Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive
- If Child Support Enforcement is not involved and no CSE printout is available, NCHFA will allow the use of the Child Support Certification to be used as a self-affidavit



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy

Foster Adult & Child - 24 CFR § 5.609 (b)(8)

- To be considered a foster adult/child; that adult/child must be placed with the family by an authorized placement agency (e.g. public child welfare agency)
- All income received by fosters is excluded from income
- Any assets held by fosters must be excluded
- Fosters must not be included when determining household size for income limits
- Are included when determining bedroom size



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>



NCHFA HOTMA Policy Form Changes

- Asset Verification
- Child Support Certification
- Recertification Questionnaire (*updated 8/2025 to include disposed of asset information*)
- Rental Application (*updated 8/25/2025 to include disposed of asset information*)
- Safe Harbor Verification (*2026 New Form*) (*Required Form*)
- Tenant Income Certification (TIC) (*2025 Updated*) (*Required Form*)
- Asset Self Certification (New Name) (*Required Form*)



<https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/resident-files>



North Carolina Housing Finance Agency: Policy Update 1.0 HOME Final Rule – Effective 1/1/2026

****Note:** Applies to ALL HOME funded properties, no matter the allocation year

Income Determinations

Allows income determinations by other rental subsidy programs

24 CFR 92.203 (a)(1)

- If a family is applying for or living in a HOME-assisted rental unit, and the unit is assisted by a Federal or State project-based rental subsidy program, then a participating jurisdiction may accept the public housing agency, owner, or rental subsidy provider's determination of the family's annual income and adjusted income under that program's rules.

Allows income documentation from other governmental public assistance (including LIHTC) at move in and recertification

24 CFR 92.203 (a)(3)

- When using the safe harbor means-tested income determination:
 - The NCHFA form must be utilized; OR
 - The documentation provided by the administering agency must include all documentation being requested on the NCHFA form



<https://www.nchfa.com/sites/default/files/2025-12/HOMEFinalRule1.0.pdf>



What are Gig Income Platforms



Income in a Gig Economy

A segment of the service economy based on flexible, temporary or freelance jobs, often involving connecting clients and customer through an online platform.

- Companies like Uber, Lyft and Upwork
- Provides workers with the ability to work and earn money on their terms
- Ability to work multiple platforms
- Treated as Self-Employed/Contractors
- Due Diligence
- Verification/Income Calculation
 - Self-employment income process
 - Some platforms have reports and verification processes
 - May use screenshots if other sources of verification are not available (document)
 - Not included in Chapter 5, HUD Handbook, no formal guidance from HUD



***The Gig landscape is ever evolving with
new opportunities, revised tax law, verification processes,
etc.***



Electronic/App Assets – Alternative Accounts Chime, Venmo, PayPal, Cash App, etc.

Verification Process:

- Current Balance is used (just like Savings and Checking Accounts)
- Some email the account holder a monthly statement
- ATM balance inquiry receipt – ensure the balance is shown and there is a date listed on the printout
- Online printout of statement (not transaction history) includes the date of the inquiry and the cash balance
- Print Screen from the app that shows the current available cash (use if no other sources available and document)
- In most cases there is no asset income

Note: if applicant/resident discloses this type of asset on the application/questionnaire and there is no cash being held (account has a zero balance), verification is required – Asset Self-Certification, third party verification, affidavit, etc.

These type of mobile payment apps are a good way to
uncover income that has not been disclosed when viewing statements/transaction history



Leases for SHD Rental Properties

Owners may terminate tenancy or refuse to renew a lease only for:

- Serious or repeated violations of the terms and conditions of the lease;
- Violations of applicable federal, state or local law;
- Completion of the tenancy period for transitional housing; or,
- For other “good cause”.

ANY termination or refusal to renew a lease **MUST** be preceded by 30 days notice, which specifies the grounds for the action.



APARTMENT ASSOCIATION OF NORTH CAROLINA RESIDENTIAL LEASE AGREEMENT

1. SUMMARY OF KEY TERMS OF THIS LEASE AGREEMENT ("Agreement"): The following information ("Paragraph 1" and subparts) is provided strictly for informational purposes and is intended to be construed contextually with the other terms and conditions of this Agreement.

1(A). PARTIES.

Name of LESSOR (Owner): Greenway Cove

Address of Lessor: 153 Crossing Way Suite 102

Boone, NC 28607

All sums paid to Lessor shall be made payable to (if different than Lessor):

Name(s) of LESSEE(S) - Full Legal Name(s):

1.

2.

3.

4.

Each Lessee shall be jointly and severally liable (each Lessee shall be jointly and severally liable for full compliance of all the terms and conditions contained in this Agreement).

1(G). RENT.

BASE MONTHLY RENT: \$ _____

ADDITIONAL MONTHLY RENTS: \$ _____

(If any, describe form and amount of rents below)

\$ _____

\$ _____

\$ _____

\$ _____

MONTHLY RENT SUBTOTAL: \$ _____

Monthly Discount? ☐ Yes ☐ No

If Yes, list discount per month: (-) \$ _____

TOTAL MONTHLY RENT: \$ _____

(Equal to Base Monthly Rent Plus Additional Monthly Rents Minus Discounts, if any).

PRORATED RENT FOR FIRST MONTH OF LEASE TERM: \$ _____

(Equal to Total Monthly Rent divided by total number of calendar days in first month of term multiplied by number of calendar days remaining in first month of term).

LAST M: \$ _____



Move-in and Lease Procedures

- Lease agreement
 - Complies with NC real estate law
 - Agency does not approve
 - Talking points
- Lease terms
 - HOME – minimum 12 months
- Move-in inspection
 - Timeframe for submission
 - Signed & dated by resident
 - Work orders
- HOME lease addendum (Updated 12/2022)
 - **Required** for all new Move In's effective 6/1/19
- RCRS unit event entry
 - Within 30 days of move-in date
 - For new lease up – within 90 days
 - Include move-in documents
 - Update Vacancy & Referral (if applicable)
 - Vacancies
 - Application status

Applicable to Transitional and Permanent Housing

Effective 1/1/2022 – Update unit events required to be entered in RCRS confirming household composition and current rent and utilities being charged.



HOME Lease Addendum

Prohibited lease provisions:

- Agreement to be sued
- Treatment of tenant's property
- Excusing owner from responsibility
- Waiver of legal notice
- Waiver of legal proceedings
- Waiver of jury trial
- Waiver of right to appeal court decision
- Tenant chargeable with costs of legal actions regardless of outcome

Actual lease does not need to be approved because the provisions of the required addendum indicate what takes priority under law, the lease itself or the addendum

SHDP/HOME
HOME Lease
addendum is required

SHDP/HUD811/HOME
NO HOME Lease
addendum required due to
HUD VAWA and lease
requirements



LEASE ADDENDUM: HOME

Developments with Agency HOME funding must complete addendum for all households at move-in.

Date: _____

Development Name: _____

Head of Household Name: _____

Unit No: _____

This lease addendum adds the following paragraphs to the Lease between the Tenant and Landlord referred to above.

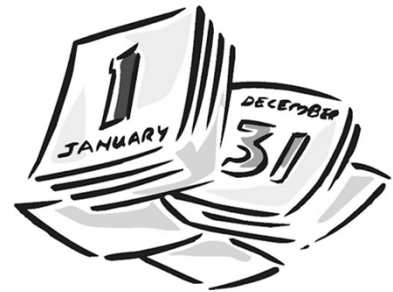
- Purpose of the Addendum.** The lease for the above-referenced unit is being amended to include the provisions of this addendum because the apartment project has received funding under the federal HOME Investment Partnerships Program ("HOME Program").
- Conflict with Other Provisions of the Lease.** In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.
- Term of Lease.** Notwithstanding anything herein to the contrary, the initial Lease term shall be for a period of not less than 12 months. Subsequent lease terms shall be for a period of no less than 12 months, unless the Landlord and Tenant mutually agree in writing to a shorter term, but in no event, can the Lease term be less than 30 days.
- Income Eligibility.** The Landlord has the right to recertify the Tenant's income on an annual basis to verify Tenant's continuing eligibility to reside in a HOME unit. The Tenant's failure to cooperate in the income recertification process will be a violation of the lease. Deliberately providing false information can result in the termination of the Lease.
- HOME Rent Restrictions.** If this unit is designated as a HOME unit, rents are subject to the rent restrictions of the HOME Program. Landlord may adjust the rents, in accordance with the HOME rent limits, with NCHFA approval. If the income of a household in a HOME-designated unit increases above the High HOME income limit, the rent for this household must be calculated at thirty percent (30%) of monthly adjusted income. As an alternative, the HOME designation can be switched to another HOME compliant unit, unless all units in the property are HOME-assisted units.



HOME Funded Projects

Recertification Process:

- Conducted annually on the anniversary of the initial move-in/effective date
- Complete within 120 days prior to annual recertification effective date
- Follow same steps as initial occupancy
 - Application/Questionnaire
 - 3rd Party Verification of Assets & Income
 - Signed Tenant Income Certification
- SHD does not require interim recertifications



Verifications: HOME – Student Rule

Full or part time students attending an institution of higher education are eligible as long as they meet the following exceptions:

1. Over the age of 23
2. Disabled Individual Receiving Assistance Prior to 11/30/2005
3. Veteran of the United States Military
4. Married
5. Parent with a Dependent Child
6. Independent and Individually eligible or has Parents who are income eligible
7. Dependent Living with a Parent



If no rental assistance, student financial aid is excluded.

INCOME LIMITS



Income Limits Are Available in RCRS

- To make compliance easier, NCHFA publishes property-specific income limits in RCRS once they are released
- If you follow the income and rent limits in RCRS, the property will not have a compliance finding for using the incorrect income limits even if RCRS is wrong
- Please print the income and rent limits from RCRS and keep in your property file



Locating Your Income Limits in RCRS

From the property menu,
Click on the "Property Menu"

We do the
work for you.



NORTH CAROLINA HOUSING
FINANCE AGENCY
HousingBuildsNC.com

Property Menu

9272322 - Vanceville

Property Information

County:

Address:

Program(s):

Allocation Year:

Monitoring Type:

Tax Monitoring Status:

Is Non-Profit Set Aside:

Unit Mix

Market Rate Units

Employee Units

Low Income Units

Total Units 84 0

DHHS Targeting Units 9 0

Key Program Units 9 0

Home Units 0 0

Set Aside Information

Summary

Buildings

Rent / Income Limits

Compliance Resolution

Property Activity Report

Property Upload

Additional Info

Management Company Contacts

Documents

Utility Allowance

Financial Data

Rent Structure

Reserve Requests

Set-Asides

Special Claims

Hold Fees

Project Type: Family

Construction Type:

Building	Type
NC-21-07501	{none}
NC-21-07502	{none}
NC-21-07503	{none}
NC-21-07504	{none}
NC-21-07505	{none}
NC-21-07506	{none}
NC-21-07507	{none}

Supportive

Service Required: No

Certification

Waiver Granted: No

Project Based Subsidy: No

Affordable Housing

Products received from NCHFA: Federal Tax Credits National Housing Trust Fund

Other Non-Agency

Funded Sources: {none}

Utility Paid By Resident: {none}



HTF Limits

Income	Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
20	\$122,300	\$17,140	\$19,580	\$22,020	\$24,460	\$26,420	\$28,380	\$30,340	\$32,300	
30	\$122,300	\$25,710	\$29,370	\$33,030	\$36,690	\$39,630	\$42,570	\$45,510	\$48,450	
35	\$122,300	\$29,995	\$34,265	\$38,535	\$42,805	\$46,235	\$49,665	\$53,095	\$56,525	
40	\$122,300	\$34,280	\$39,160	\$44,040	\$48,920	\$52,840	\$56,760	\$60,680	\$64,600	
45	\$122,300	\$38,565	\$44,055	\$49,545	\$55,035	\$59,445	\$63,855	\$68,265	\$72,675	
50	\$122,300	\$42,850	\$48,950	\$55,050	\$61,150	\$66,050	\$70,950	\$75,850	\$80,750	
60	\$122,300	\$51,420	\$58,740	\$66,060	\$73,380	\$79,260	\$85,140	\$91,020	\$96,900	
70	\$122,300	\$59,990	\$68,530	\$77,070	\$85,610	\$92,470	\$99,330	\$106,190	\$113,050	
80	\$122,300	\$68,560	\$78,320	\$88,080	\$97,840	\$105,680	\$113,520	\$121,360	\$129,200	

Rent

Rent	Percent Median	Median Income	1/BR	2/BR
20	\$122,300	\$459	\$550	
30	\$122,300	\$688	\$825	
35	\$122,300	\$803	\$963	
40	\$122,300	\$918	\$1,101	
45	\$122,300	\$1,032	\$1,238	
50	\$122,300	\$1,147	\$1,376	
60	\$122,300	\$1,377	\$1,651	
70	\$122,300	\$1,606	\$1,926	
80	\$122,300	\$1,836	\$2,202	

The Income and Rent Limits will automatically default to the most current limits. You can select previous years also

NORTH CAROLINA HOUSING
FINANCE AGENCY
HousingBuildsNC.com

RCRS



RENT, FEES & UTILITY ALLOWANCE

Locating your income limits in RCRS

Home Property List Property Menu

Summary
Buildings
Rent / Income Limits
Compliance Resolution
Property Activity Report
Physical Inspections
File Reviews
Property Upload
Additional Info
Management Company Contacts
Documents
Utility Allowance
Financial Data
Rent Structure
Reserve Requests
Set-Asides
Special Claims
Hold Fees
Property Insurance Policies

LIHTC Income and Rent Limits

Percent Median Income	One Person
60	\$86,700

Income

Percent Median Income	One Person
60	\$86,700

Rent

Percent Median Income	2/BR
60	\$1,171

LIHTC Effective Date 04/01/2025

Filter by Set-Aside

Click on Rent/Income Limits

 **NORTH CAROLINA HOUSING**
FINANCE AGENCY
HousingBuildsNC.com

 **NORTH CAROLINA HOUSING**
FINANCE AGENCY

Rent Requirements – Housing Trust Fund

Rent is defined as a periodic charge for the right to occupy or use someone else's property

Rent

Percent Median	Median Income	1/BR	2/BR	3/BR
35	\$79,000	\$519	\$623	\$720
50	\$79,000	\$741	\$890	\$1,028
60	\$79,000	\$890	\$1,068	\$1,234

- The term “gross rent” includes the cost of any utilities paid by the resident
- For Housing Trust Funded projects, gross rent does not include rental assistance payments made on behalf of the tenant under the Section 8 program or similar programs
- Rent limits are determined by unit bedroom size
- Calculations based on the income limits
 - Assuming 1.5 person per bedroom



Rent Reminder

☒ Filter by Set-Aside

HTF Limits

Income

Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50	\$122,300	\$42,850	\$48,950	\$55,050	\$61,150	\$66,050	\$70,950	\$75,850	\$80,750

Rent

Percent Median	Median Income	1/BR
50	\$122,300	\$1,147



Rents charged cannot exceed the NCHFA approved amounts (if required) even if the rental amount charged complies with the rent limit



HTF Rent Limits

To determine if rent is below the maximum HTF rent limit, include these sources



Resident Paid Rent



Resident Paid Utilities



Mandatory Fees

EQUALS



Gross Rent



Gross rent must be equal to or lesser than applicable HTF rent limit

HOME Rent Limits

To determine if rent is below the maximum HOME rent limit, include all sources



Resident Paid Rent



Rental Assistance



Resident Paid Utilities



Mandatory Fees

EQUALS



Gross Rent



Gross rent must be equal to or lesser than applicable Low or High HOME rent limit

HOME Rent Limits: Gross Rent Calculation

Rental Lease Agreement	
Contract Rent	\$700
Resident's Portion of Rent	\$250
PHA Rental Assistance	\$450

1 Bedroom
Utility
Allowance
\$75

1 Bedroom
Rent Limit
\$700

Does this rent comply with the rent limit?

What is the gross rent?

- 2 Bedroom Apartment
- 30% Set-a-Side
- 5 Member Household
- \$780 Tenant Rent
- \$75 Utility Allowance

What is the gross rent?

- 2 Bedroom Apartment
- 30% Set-a-Side
- 5 Member Household
- \$780 Tenant Rent
- \$45 Monthly Renters Insurance
- \$75 Utility Allowance

Is the rent limit being met with the added fee?

- 2 Bedroom Apartment
- 30% Set-a-Side
- 5 Member Household
- \$780 Tenant Rent
- \$45 Monthly Renters Insurance
- \$75 Utility Allowance
- \$900 Gross Rent

HTF Limits

Income

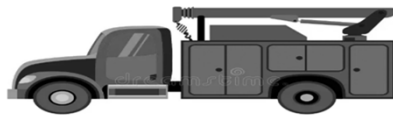
Percent Median	Median Income	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
30	\$94,100	\$19,770	\$22,590	\$25,410	\$28,230	\$30,510	\$32,760	\$35,010	\$37,290
60	\$94,100	\$39,540	\$45,180	\$50,820	\$56,460	\$61,020	\$65,520	\$70,020	\$74,580

Rent

Percent Median	Median Income	1/BR	2/BR	3/BR
30	\$94,100	\$529	\$635	\$734
60	\$94,100	\$1,059	\$1,270	\$1,468

Utility Allowances (UA) Requirements

- All projects that participate in Agency-administered rental programs must update their utility allowance at least once annually through RCRS
- Implementation can only occur after the Agency's review and approval
- With each request, all utility allowance types must be uploaded into RCRS with a cover letter indicating the utility type and effective date
- Costs are incurred solely by the owner
- The Utility Allowances includes all utilities paid directly by the resident



An Affordable Housing Owner's
Guide to Utility Allowances



Utility Allowance Reminders

- If there is project-based rental assistance, use the utility allowance approved by the assistance provider
- The preferred utility allowance for all other SHD properties is the PHA utility allowance

PHA Utility Allowance:

Obtained from the local Housing Authority

Calculate the applicable utility allowance by adding the utility type (gas, electric, water, etc.) for each bedroom size

Must use for any unit occupied by a section 8 voucher holder



UA Resources Available

<https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-resources-forms/ownershipmanagement>



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- Compliance Manual/Training Resources

- Ownership/Management

Rental Housing Partners » Rental Owners & Managers » Policies, Resources & Forms » Ownership/Management

Ownership/Management

The following pages contain required and recommended forms, instructions, policies, checklists and current updates.

Check Often for Updates

UTILITY ALLOWANCE

[Utility Allowance Policy](#) (updated 1/2026)

[Utility Allowance Submission Timelines](#) (updated 1/2026)

[Approved Vendors for Utility Allowance Calculations](#) (updated 1/2026)

[Instruction Sheet for Utility Allowance Compliance](#)

[Utility Allowance Agency Estimate Spreadsheet](#)

North Carolina Housing Finance Agency: Utility Allowance Policy Tips and Guidelines for a Successful Request

Updated January 1, 2026



The gross rent limit published by NCHFA annually is inclusive of a utility allowance for all tenant-paid utilities, including electricity, water, sewer, gas, garbage or any amount paid in addition to rent. Telephone, cable and internet are specifically excluded by statute. Fees charged to the resident for utilities the owner is responsible for paying to the utility company are considered rent, unless the units are sub-metered to account for specific consumption by the household.

Need Utility Allowance Assistance?





NORTH CAROLINA HOUSING

FINANCE AGENCY



CHECKING WHAT WE HAVE LEARNED

Beryl comes in to your office to do her certification paperwork at your property, Magnificent Freebirds Apartments. She is going to use the “Safe Harbor Verification” method from the local WIC office. You send the NCHFA Safe Harbor Verification form to the WIC office and they return the form. Beryl, on her paperwork list herself and four little dependents. The documentation from the WIC office looks good, except the household composition on the document indicates Beryl and her six little dependents. When you ask Beryl about the discrepancy, she tells you that the two extra are her sister’s dependents that will not be staying with her, she included them to get a larger WIC benefit.

Can this documentation be used?



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>

Checking What We Have Covered

Blake has a 401k account with a cash value of \$250,000. He takes a Required Minimum Distribution (RMD) quarterly in the amount of \$10,000. How would you treat his 401k account at move-in?

Exclude the 401k Account as an asset

BUT, count the RMD as income ($\$10,000 \times 4 = \$40,000$)



<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>

Checking What We Have Covered

ROOMMATE HOUSEHOLD:

Anne has cash on hand in the amount of \$1,000, Mary has a CashApp balance of \$1,000 and Grace has a checking account with a cash value of \$5,000 that pays .25% interest annually. Combined, the three received a state and federal tax return in the past 12-month in the amount \$4,000.

What is the household combined total cash assets value? **\$7,000**

Cash on hand	\$1,000
CashApp	\$1,000
+Checking account	\$5,000
Total household combined assets	\$7,000

2026 Asset Threshold: \$52,787

<https://www.nchfa.com/sites/default/files/2025-12/HOTMA7.0.pdf>

Checking What We Have Covered

ROOMMATE HOUSEHOLD:

Anne has cash on hand in the amount of \$1,000, Mary has a CashApp balance of \$1,000 and Grace has a checking account with a cash value of \$5,000 that pays .25% interest annually. Combined, the three received a state and federal tax return in the past 12-month in the amount \$4,000.

What is the household combined total cash assets value? 7,000

What is the household combined income from assets? **\$12.50**

Cash on hand	No Asset Income
CashApp	No Asset Income
+Checking account (\$5,000 X .25%)	\$12.50
Total household combined income from assets	\$12.50

2026 Asset Threshold: \$52,787

Checking What We Have Covered

Cutler has a checking account with a cash value of \$5,000 that pays no interest, Hawk has cash on hand of \$5,000 and real estate that has a cash value of \$75,000 that have all been verified. In the past twelve-months, they have a combined federal and state tax return of \$2,000 that has been verified with copies of their filed tax returns.

What is to the total household combined assets? **\$83,000**

Checking account	\$5,000
+Cash on hand	\$5,000
+Real Estate	\$75,000
<u>-Tax Return</u>	<u>\$2,000</u>

Total household combined assets **\$83,000**

Can the Asset Self-Certification be used?

No, total household combined assets exceed the asset limitation threshold

2026 Asset Threshold: \$52,787

Checking What We Have Covered

Cutler has a checking account with a cash value of \$5,000 that pays no interest, Hawk has cash on hand of \$5,000 and real estate that has a cash value of \$75,000 that have all been verified. In the past twelve-months, they have a combined federal and state tax return of \$2,000 that has been verified with copies of their filed tax returns.

What is the total household combined assets? **\$83,000**

Can the Asset Self-Certification be used? **No, total household combined assets exceed the asset limitation threshold**

What is the total household income from assets? **\$300.00**

Checking account	No Asset Income
Cash on hand	No Asset Income
<u>+Real estate (\$75,000 X .40%)</u>	<u>\$300.00</u>

Total household income from assets **\$300.00**

How does the combined tax return impact assets?

Let's take a look...

Let's take a look Tenant Income Certification

PART IV. ASSETS						
PART IVA. INCOME FROM ASSETS - LESS THAN \$50,000						
Total net value from both Non-necessary Personal Property (NNPP) and Real Property has been verified as LESS than \$50,000						
Enter Total of ACTUAL INCOME earned from all Assets from the Asset Self Certification (Under \$50K) (F)						\$
PART IVB. INCOME FROM ASSETS - GREATER/EQUAL TO \$50,000						
Total net value from both Non-necessary Personal Property (NNPP) and Real Property has been verified as EQUAL to or GREATER than \$50,000						
HH Mbr#	(G) Type of Asset	(H) C/D	(I) NNPP / Real	(J) Cash Value of Asset	(K) A/I	(L) Annual Income from Asset
1	Checking Account	C	NNPP	\$5,000	A	\$0
2	Cash On Hand	C	NNPP	\$5,000	A	\$0
2	Real Estate	C	Real	\$75,000	I	\$300.00
1/2	Tax Refund	C	Tax Relief	-\$2,000	A	\$0
Enter Total Income from all Assets (M)						\$300.00

List the combined tax refund on the TIC under IVb
The filed tax refund(s) must be verified and attached

HOME Rent Limits: Gross Rent Calculation

Rental Lease Agreement	
Contract Rent	\$700
Resident's Portion of Rent	\$250
PHA Rental Assistance	\$450

1 Bedroom
Utility
Allowance
\$75

1 Bedroom
Rent Limit
\$700

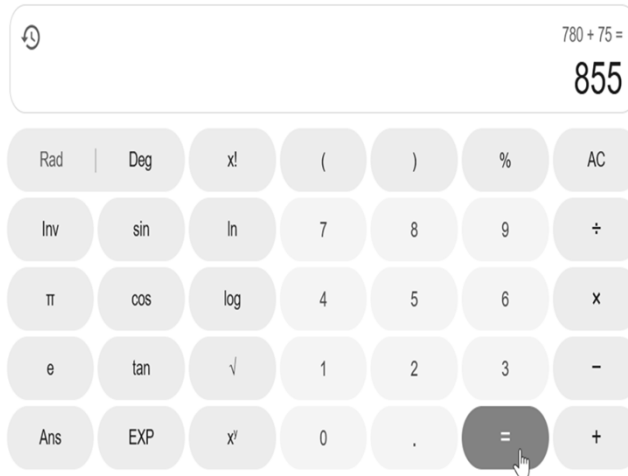
Does this rent comply with the rent limit?

\$250
+
\$450
+
\$75
=

NO

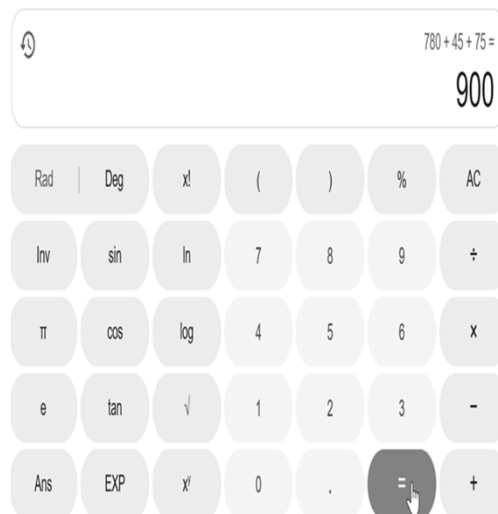
What is the gross rent?

- 2 Bedroom Apartment
- 30% Set-a-Side
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What is the gross rent?

- 2 Bedroom Apartment
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- \$75 Utility Allowance



Is the rent limit being met with the added fee?

- 2 Bedroom Apartment
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NO!

**\$900 GR is greater than
\$635 Rent Limit**