



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Ms. Karen Miller
Chair
Mr. Kim Herman
Executive Director

memorandum

TO: Property Owners and Managers

FROM: Asset Management & Compliance Division

SUBJECT: **Tax Credit Compliance Manual Revisions – #2-2017, June 2017**

The Asset Management & Compliance Division has published revisions to our *Tax Credit Compliance Manual*. Consequently, we are publishing a list of the revisions to aid you in identifying the changes made.

To be notified immediately when compliance resources have been updated, sign up for our E-News Compliance newsletter at <http://www.wshfc.org/managers/BroadcastEmail.htm>.

For additional guidance, review our *Tax Credit Frequently Asked Questions*; one update was made this month to the Q&A concerning **Anticipated Social Security Income**:
http://www.wshfc.org/managers/ManualTaxCredit/160_AppendixB-FAQsCompliance_TaxCredit.pdf

To review the latest Manual changes, please refer to the online version of our *Tax Credit Compliance Manual*, available at: <http://www.wshfc.org/managers/ManualTaxCreditIndex.htm>.

TABLE OF CONTENTS

Revisions: Updated to match sections/pagination in the revised chapters, as needed.

CHAPTER 2, FEDERAL REQUIREMENTS

Clarified that “Comparable Unit” for purposes of the Available Unit Rule is based on bedroom size, rather than square footage.

CHAPTER 7, NONCOMPLIANCE

Updated language and formatting. Added specific consequences for serious or ongoing Federal and/or State noncompliance. Added section to clarify when the correction period begins and when the owner can rely on having been given official notice that discovered noncompliance may be reportable to the IRS. Refers stakeholders to Chapter 11 and/or 12 in the Manual for consequences of violations of Post-Year 15 Monitoring Procedures or an IRS-approved Recertification Waiver, respectively. Added new section on noncompliance consequences for delays in making units suitable for occupancy. Added new section on noncompliance consequences for overcharging of rent. Added new section on noncompliance consequences for leasing to an over-income household.

CHAPTER 9, PROPERTY TRANSFERS

Added additional transfer type to address Year 15 exits where ownership is fully assumed by original nonprofit sponsor. Added new section on Commission action regarding transfers where the property may be taken over by an owner or managed by a company that has no previous tax credit experience.