



May 2009

TO: Property Managers

FROM: Compliance & Preservation Division

SUBJECT: **Bond Compliance** Manual Revisions – #1-2009

The Compliance & Preservation Division published revisions to our Bond Compliance Manual in 2007. In July 2008, Congress passed the Housing and Economic Recovery Act, which made several important changes to the tax credit program, some of which also affect the bond program. Accordingly, nearly every chapter of the Bond Manual has been updated with policy and/or procedural changes. We have also made minor grammatical and stylistic changes throughout. Consequently, we are publishing this list of revisions to the Manual to aid you in identifying major changes.

Please refer to the online version of our Bond Compliance Manual, available at <http://www.wshfc.org/managers/ManualBondIndex.htm>. The online version includes links to pertinent forms and regulations that make compliance information easily accessible. To be notified immediately when a compliance change has been published, sign up for our E-News Compliance newsletter at <http://www.wshfc.org/managers/BroadcastEmail.htm>.

TABLE OF CONTENTS

Revisions: Updated to match changed sections/pagination in each chapter, lists attachments to certain chapters, lists new appendices.

Replace TOC dated December 2007 with TOC dated May 2009.

CHAPTER 1, INTRODUCTION

Revisions: Stylistic/grammatical adjustments made for consistency.

Replace Chapter 1, Introduction, dated November 2006, with Chapter 1, (same name), dated May 2009.

CHAPTER 2, GENERAL PROPERTY INFORMATION

Revisions: Stylistic/grammatical adjustments made for clarity. Changed title of Table 1 Report to "Table 1" throughout, instead of "CCPC Part B." **Student Housing** section updated for clarity and to include all current student exceptions (same as tax credit program). Examples revised for clarity. Noted at end of **Marketing** section that the Internet is an acceptable advertising alternative to newspapers.

Replace Chapter 2, General Property Information, dated August 2007, with Chapter 2, (same name), dated May 2009.

CHAPTER 3, RENTAL PROCESS & REPORTING PROCEDURES

Revisions: Stylistic/grammatical adjustments made for clarity. Changed title of Table 1 Report to "Table 1" throughout, instead of "CCPC Part B." Clarified **Available Unit Rule (140%)** section to state that the next unit rented to a qualified household must be rented in the same building, not anywhere in the property.

Replace Chapter 3, Rental Process & Reporting Procedures, dated August 2007, with Chapter 3, (same name), dated May 2009.

CHAPTER 4, INCOME & ASSET CERTIFICATION

Revisions: Stylistic/grammatical adjustments made for clarity. Added reference to new form, *Self-Employment Income Worksheet*, to **Self-Employment Income Verification** section. Added more calculation/verification guidance to same section. Clarification regarding how to calculate unemployment benefits added to **Unemployment, Disability, Workers Comp, Severance Pay** section. Military pay codes updated. COLA note deleted from **Pensions, Veterans and Other Periodic Benefits** section. Deferred income payments note added to same section as new subsection, **VA Disability Income**. Another new subsection created, **Pension Funds Paid to a Former Spouse**. **Annuities** section revised to include more guidance. Additional guidance added to **Student Income** section. In **Types of Assets** section, clarification regarding checking account verification added. **Types of Excluded and Included Income** section moved to end of chapter.

Replace Chapter 4, Income & Asset Certification, dated November 2006, with Chapter 4 (same name), dated May 2009.

CHAPTER 5, PROPERTY TRANSFERS

Revisions: Stylistic/grammatical adjustments made for clarity. **Conditions and Consent** section moved to front of chapter, before **Fees** section. **Owner Cover Letter** section moved above **Documentation Required for Sale of Property** section. Both **Documentation** sections renamed and clarified. Paragraphs pertaining to General Partnerships deleted.

Replace Chapter 5, Property Transfers, dated September 2007, with Chapter 5, (same name), dated February 2009.

APPENDIX B, DIFFERENCES BETWEEN TAX CREDITS AND BONDS

Revisions: Chart updated as a result of HERA changes. Specifically, sections on **Minimum Set-Aside, Fulltime Student Status, Over-Income Units, Reporting Requirements** and **Resident Transfers** have all been updated.

Replace Appendix B, dated November 2006, with Appendix L, (same name), dated May 2009.

APPENDIX C, BOND PROPERTY REPORTING REQUIREMENTS

Revisions: Chart is now one continuous document, first listing all current bond properties and their reporting codes (in alphabetical order by property), then listing the code key (in numerical order) with requirements for each code.

Replace Appendix C, dated April 2008, with Appendix C (same name), dated May 2009.

APPENDIX F, HUD OCCUPANCY HANDBOOK 4350.3

Revisions: Replaced the Handbook (excerpts only), version Change1, with version CHANGE 2, published in June 2007.

Replace Appendix F, dated November 2006, with Appendix F (same name), dated May 2009.