Arizona Department of Housing
2024 Information Bulletin

REGARDING PROGRAMS: Rental Compliance

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit (LIHTC), HOME, State and National Housing Trust Fund (NHTF, HTF) and Neighborhood Stabilization Programs (NSP) Compliance

INFORMATION BULLETIN No. 23-24
ISSUED: **March 6, 2024**
RE: **Rental Compliance Policy Update – E-Signatures/Resident Services Software/ Storage of Resident Files/ Reminders**

The policy changes listed below will be added to the LIHTC Compliance Manual in the coming months, however, we felt it extremely beneficial to publish and offer them to our constituents before the manual is ready to publish.

Electronic Document Policy

Electronic signature software, electronic storage systems and resident services software must satisfy the requirements of **Revenue Procedure 97-22, Revenue Ruling 2004-82,** and **HUD Notice H-2020-10,** or updated versions of these documents.

Electronic Signatures

ADOH accepts electronic signatures from tenants, owner agents and verifying parties. Management can electronically sign any form including the move-in, recertification, or self-certification TIC as well as leases and supporting documentation, for ADOH-monitored projects. The owner is responsible for ensuring that the signature is that of the tenant. *For digital signatures to be considered a legal form of electronic signature, the system or application must conform to the National Institute of Standards and Technology (NIST), Federal Information Processing Standards (FIPS) Digital Signature Standard 186-4 and other Federal Government digital signature regulations and guidance. Compliant software programs will contain a security feature that ensures that the digital signature is unique and protected and that only the "owner" of the signature maintains control of its use,* via **HUD Notice H2020-10**. For initial move-in certifications, "wet" signatures are preferred however to streamline the process, electronic signatures will be accepted.

The owner is responsible for confirming investor and syndicator approval of the use of electronic signatures etc. In the case that issues arise due to the use of electronically signed documents, ADOH reserves the right to require "wet" signatures.

<u>ADOH-monitored projects that intend to utilize the Agency's electronic signature policy must take the following actions:</u>

Management Policy: Initially, and in case of a change in ownership, the owner/agent must develop and implement a policy and procedure for the use of electronic signatures. ADOH has no liability for owner/management company electronic signature policies that do not meet IRS and/or HUD rules and regulations.

ADOH document requests: Hard copies of the tenant files must be provided to ADOH upon request.

File Format: All household files must be made available in a format compatible with ADOH software.

Accommodations: The owner/agent policy must provide accommodations to residents who request to review and sign hard copies of documents.

To support certifications that were signed electronically please attach the "electronic signature page" generated by your services software and place it directly behind the TIC. If this is not present in the file auditors will look for a "wet" signature.

Resident Services Software

If an owner/agent chooses to utilize resident services software for an ADOH-monitored project, we caution you to ensure the forms being used conform to the compliance requirements (HOTMA) in effect at the time of the certification. The use of the ADOH TIC in conjunction with the Asset Self-Certification form is required (for move-in, recertification & self-certification). The forms can be found on the ADOH website https://housing.az.gov/documents-links/forms/rental-compliance-monitoring. The owner/agent is responsible for ensuring that the tenant files are following IRS and/or HUD rules and regulations. The property is responsible for implementing HOTMA effective 1/1/2024. All programs are required to be fully compliant by 1/1/2025 but until then they must be "as compliant as possible".

To support certifications that were signed electronically please attach the "electronic signature page" generated by your services software and place it directly behind the TIC. If this is not present in the file auditors will look for a "wet" signature.

Storage of Resident Files/ Records Retention

Owners may store resident files electronically if they wish, as long as the electronic storage system satisfies the requirements of the **IRS Revenue Procedure 97-22, Rev. Ruling 2004-82** and **HUD Notice H-2020-10** or updated versions of these documents. Files must be made available to ADOH during monitoring visits.

Self-Certification TIC

For self-certification, TICs, Part II, III and IV must be filled in by the resident or completed in a way electronically that it can be verified that it was completed by the resident (e.g. secure resident portal accounts, etc.). Self-certifications can be signed electronically as well.

If a self-certification is completed in paper form by the tenant, ensure this document is kept in the tenant file, even if management chooses to reprint the TIC from the resident services software database. This applies to every tenant hand written document.

Post HOTMA TIC (Tenant Income Certification)

The updated TIC (autofill/print version) has been posted to the ADOH website and is effective 03/01/2024. The TIC needs to be used in conjunction with the $50,000 Asset Self-Certification form. This applies to move-in, recertification and self-certification TICs. https://housing.az.gov/documents-links/forms/rental-compliance-monitoring.

Asset Self-Certification form

The new asset self-certification form has been posted to the ADOH website. Please note this form is a work in progress as new HUD guidance is released. Check back regularly to see if a new revised version is available.

45-Day Rule

The recertification TIC is no longer required to be signed 45 days before the effective date. Tenants can sign the TIC the day they sign the recertification.

Annual Reports – Due March 15th / Tenant Data upload to NextGen – Due March 15th

ADOH no longer requires that the Annual Report be submitted as a hard copy. You can sign and submit the annual report electronically. Further instructions can be found in the Annual Report workbook located here:

https://housing.az.gov/housing-partners/rental-compliance/adoh-line-reporting

https://housing.az.gov/documents-links/forms/rental-compliance-monitoring?tid_2=All

Rental Compliance Fees – Due March 15

Compliance fees should be submitted via our online payment portal.

ADOH Payment portal, located here: https://housing.az.gov/portals/adoh-payment-portal Invoices are no longer emailed to owners/agents. They can be obtained on the ADOH website by clicking the link below: https://housing.az.gov/documents-links/housing-invoices

If you have any questions regarding Annual Reports, please contact Ms. Karen Garcia, Annual Report Review Officer at 602-771-1038 or via email at karen.garcia@azhousing.gov or Ms. Corinna Waddell, Compliance Program Manager, at 602-771-1068 or via email at corinna.waddell@azhousing.gov.

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