

# *Tax Credit Supervisors:*

## Stop Setting Your Site Staff Up For Failure...

### Answers To Their Compliance Questions Are Only An Email Away!

As you all know, Tax Credit professionals have time to spare. The properties are overstaffed and no one is ever stressed... **Or wait, was that a dream I had last night?**

Must have been! Who am I kidding? Tax Credit managers and compliance specialists have one of the most stressful, thankless jobs there is. Anyone that has been in one of these positions for more than a day knows this. **More importantly, YOU know this!**

Tax Credit management and compliance can be a very tricky business! The tenant scenarios alone that you must deal with can easily trip you up and put you in noncompliance, let alone rules like the Full-Time Student Rule, Unit Transfer Rule, The Unit Vacancy Rule and The Available Unit Rule. There are so many scenarios and so many factors that come into play. **The worst thing is...**

One mistake... one uncooperative tenant... one fraudulent applicant...  
can cause you to lose **THOUSANDS** of dollars in Tax Credits!

### THOUSANDS!

**Most of the Tax Credit questions you have are not simple either. They don't just pertain to a single rule. Rather they are entangled with a long, drawn out resident scenario.** The questions you have not only have to be answered on a compliance level, but also have to be answered within keeping of local landlord tenant laws, fair housing and they must have a practical application within the realistic world of property management and resident relations. That is a lot!

You know what I mean, you get an applicant that comes in with 3 kids, 1 that is a full-time student living away from home, and one that is a friend's kid that the applicant doesn't have custody of, plus a boyfriend that you aren't sure is going to be living in the unit or appears to be hiding information and you have to qualify them for a Tax Credit apartment.

Or you get a person that comes in with a living will and a slew of stocks, bonds and retirement accounts that go beyond the normal income & asset scenarios and you have to verify and evaluate them and determine how they will affect eligibility.

Or what about the resident that won't cooperate with the annual recertification process and is stirring up trouble with the other residents convincing them not to cooperate with the process as well causing you to be late with your annual recertifications!

Fair housing is a huge factor. Landlord/Tenant law has to be considered.

When you try to get answers to your questions or guidance, what usually happens? The deer-in-the-headlights look! Right? That is if you can get a hold of anyone to talk. Most of our questions need answering immediately or else we run the risk of losing an otherwise great potential resident. Or we run the risk of making a decision without proper guidance and end up creating more work and potential noncompliance!

### Questions... Questions... Questions???

The most common start to any telephone call we get goes something like this...

*"Elizabeth, help! I've got a question and can't get anyone to give me a straight answer. Can you help me?"*

Sound familiar? It's one of the biggest frustrations for site level staff...

- NO ONE TO TALK TO!
- NO ONE TO GET ANSWERS FROM!!
- NO ONE TO USE AS A SOUNDING BOARD AND TO HELP THEM WORK OUT A CONVOLUTED APPLICANT SCENARIO!!!

Stop setting your site staff up to fail and give them what they need most...

### Answers! Answers!! Answers!!!

Here is just a sampling of some of the most recent Tax Credit compliance questions we have gotten from our Compliance Coach customers and most

Sure, you can call your State Agency, your investor, your accountant or your attorney. But...

**If you call your STATE AGENCY OR INVESTOR...** what happens? You call attention to yourself and your compliance problem. You also are not ensured of getting a correct answer! Especially when the question relates to an entangled resident scenario that encompasses property management techniques and fair housing, landlord/tenant law as well as Tax Credit compliance. Certainly you should ascertain your State Agency's and your investor's opinions, but you can't stop there as their opinions are limited to their scope of expertise and you can't be sure how extensive that scope of expertise is. State Agency and investor personnel are the first ones to tell you they are not experts in property management and fair housing! They will answer the question as it pertains to compliance and compliance alone! It may not have a sound basis in realistic management techniques, meet fair housing laws or be legally sound according to your local/landlord tenant law.

**If you call your ATTORNEY OR ACCOUNTANT...** what happens? Well, you can expect to pay anywhere from \$200 to \$400 per hour! Yikes!! That is just out of the question with your limited budgets. Plus, most attorneys and accountants are not experts in BOTH Tax Credits and property management. Again, you will most likely get a very one-dimensional answer that doesn't have any practicality in the real world and often doesn't encompass the all important fair housing issues.



Hello, my name is Elizabeth Moreland. I own and operate the Elizabeth Moreland Consulting and the Housing Credit Training Center and through these companies I work hard to make Tax Credit managers and compliance specialists compliance confident!

I once was a property manager and a compliance specialist just like you. I remember the frustrations, the fear of noncompliance and the constant nagging questions ... but mostly, I remember the **LACK OF ANSWERS!** First, it was difficult to find anyone to **ASK** a question to. And then, if I was lucky enough to talk to someone, it was nearly impossible to get a **STRAIGHT ANSWER!**

I'll be honest,  
the fear of noncompliance was running amok at my properties!

So I decided to do something about it! I immersed myself in the Tax Credit Program, the Code and anything I could get my hands on. I read, I studied ... and then I read and studied some more. Every chance I could get, I networked with others in the business and gleaned as much information from them as was humanly possible. I pestered my State Agencies. I called the IRS. I chatted with the gurus of the day. **It took a lot of time. A lot of work. And a lot of perseverance.**

To this day, I use the same approach to keep myself in the know. I have accumulated an incredible library of Tax Credit books, Code provisions, and articles on the subject. I have accumulated a list of industry contacts that I can call at a moments notice to chat with about difficult scenarios and I have a working relationship with the majority of State Monitoring Agencies across the country and with the IRS personnel administrating the Tax Credit Program for Congress. **It takes a lot of time. A lot of work. And a lot of perseverance.** But the good news is... **fear of noncompliance no longer controls me! I can honestly say... I am compliance confident!!**

*"Finally, someone who can translate IRS verbiage into English. Yahoo!"* Teri Hoerntlein, Comm. Manager, Southern

importantly, the answers they needed!

***Question: I am unsure of the policy of the wait list. How detailed do I have to be and what are the requirements? I am the manager of a property that has been up and running for approximately 3 years, although I have only been here 6 months. The current wait list has approximately 5 times the applicants than the number of apartments that I have. There must be a method to this madness, but unfortunately, I have been unable to determine the "system" they were using. Do you have any suggestions on how to proceed in the future?***

***Answer:*** Although the IRS does not impose any wait list requirements, the owner may have agreed to requirements with other entities. Review your Regulatory Agreement, funding and syndicator agreements to determine if you have any wait list requirements. For example, your owner may have agreed to give preference to households who are on the Public Housing wait list. If a separate promise or agreement was not entered into, you will need to create your own policy.

A good starting point is to create a wait list application and agreement (you do not have to verify the information on the application). The agreement should state how many attempts you will make to contact the household and that the household will be removed if you are unable to reach them or if they

Cal. Housing, Rancho Cucamonga, CA

*"Elizabeth Moreland is completely jiggy with Housing Credits."* Jon Brown, Programmer,  
Real Page, Inc., Dallas, TX

*"The absolute industry leader! A must for anyone in Sect 42 housing."* Kristin Saddoris, Dir. of Section 42 Development,  
Conlin Properties Inc., Des Moines, IA

*"Elizabeth brings a passion to the housing credit industry with a vast array of knowledge, practice, application, hands-on experience, then sprinkles it with a sense of humor."* Donna Overstreet, General Manager,  
Cypress Point, Casa Grande, AZ

*"Tax credit property onsite staff & managers deserve the knowledge Elizabeth shares. She definitely delivers."* Barbara W. Soloway, Senior Property Officer,  
Westbrook Housing Auth, Westbrook, ME

**So what does this have to do with YOU?? What if I told you that for LESS THAN \$1.92 PER DAY you could...**

- ✓ Have me and my knowledge on your team answering your compliance questions.
- ✓ Email me your scariest, strangest or most confusing compliance scenario and I will give you my expertise and experience to help you resolve it!
- ✓ Be **GUARANTEED** to get a response to your question in **48 hours or less!!**

Sounds like heaven on earth, right? A Tax Credit manager or compliance specialist's dream! Actual answers to your questions! Straight answers backed up by solid research, years of experience and documented expertise! And all you have to do is email your scenario and I will respond to you within 48 hours or less **GUARANTEED!**

We call it our **Compliance Coach... a technical support hotline for YOU to get the answers to your questions.** Whether you just want to run something by me or you have a problem that you haven't been able to get anyone to give you a straight answer on, with the **Compliance Coach, I AM ONLY AN EMAIL AWAY** and I won't charge you an arm & a leg!!

*"The Compliance Coach has been an excellent resource for me in my responsibility for the compliance monitoring of multiple projects and thousands of units. It's great to have a third party consultant that is experienced in LIHTC compliance and is so easily accessible."* Cathy McCoy Soakai, Compliance Specialist,  
Evergreene Management Group, SLC, UT

**For a mere \$699 per year, you get:**

- ✓ **One hour per month FREE to discuss your compliance issues with the industry's most respected compliance expert --**

do not respond. Wait lists should be updated regularly. Stay in contact with the applicants to determine if any changes occurred that would make them an unqualified household and to make sure they are still interested. Retain the wait lists to show the attempts made and the ending result. If used properly, wait lists can be useful in reducing vacancy and expenses. You may also want to create a Wait List for each unit type you have. For example, 2 BR/2 BA 60% Income Limit Units; 2 BR/2 BA 50% Income Limit Units.

***Question:*** *We are planning to purge our former resident files, and need to know what we must keep. Our files are very thick, and we have limited storage space. What must we keep in order to prove the resident qualified the unit?*

***Answer:*** Unfortunately for the on-site team, you must keep almost everything! When storing records of former residents, you must retain the following documents: Application, Verification forms (including clarifications), Tenant Income Certification, Lease and addenda, and HUD/RD documents (if applicable). These documents must be retained for each initial certification and recertification.

You are allowed to purge the files of information that does not apply to eligibility, such as letters to residents advising them that the rent is past due, or disturbance notices. However, in addition to the documents listed above, it is suggested that

**Elizabeth Moreland!** Email me your question. You get 1 hour of my time each and every month to discuss whatever issues or questions you have. My *Compliance Coach* discussions averages 10 to 15 minutes and I have never had a person use more than 1 hour of their free time unless they requested I complete a special project for them. You pay \$699 per year. Period the end! (*Unless of course you hire us for additional projects, opinion letters or consulting.*)

- ✓ **Access via our e-mail!!** I will give you a special email address as I know that email is one of the most convenient and useful tools to managers. I am serious when I say I will make myself available to you!
- ✓ **A UNIQUE perspective ... state, national and most importantly REALISTIC!!** I personally have been working with this program since 1989 and have done everything from site management to compliance specialist to a director of a large compliance department. I have also been a leading industry trainer since 1995. My advice is proven and works in the real world!
- ✓ **A GUARANTEED response in 48 hours or less!!!** Our office receives hundreds of phone calls, countless emails and faxes. They are hard to get through in a day. Plus, I travel a lot. But as a *Compliance Coach* customer, I rank you as our most important. You get first priority! I will give you an account number and all you have to do is reference it so I know you get top priority. I then respond within 48 hours.
- ✓ **ONE affordable price for your entire portfolio!!!!** You pay only once not for each property!
- ✓ **The SECURITY & CONVENIENCE of assigning up to 3 key people at your company who can use the *Compliance Coach* for the same price!!!!** Remember, I was a manager once too. I've supervised site personnel. I understand that you want to maintain control over who is able to contact your outside consultants and to ensure that the information that is gained is given to key people who have the ability to share with other sites so all your entire staff learns from the answers given and you reduce repeat questions.

**All for less than \$59 per month or 1.92 per day!!!**

*"Thanks for your outstanding consulting services. It's great to have an organization with your expertise to call upon in our hour of need!!"* Joan Taylor, Property Administrator, Corcoran Jennison Management Company (Villages at Marley Station), Glen Burnie, MD

you retain a copy of the resident's ledger, showing the date and amount of each rental payment. If a resident paid an amount in excess of the maximum allowable rent, documentation of the reason should remain in the file. For example, a resident breaks a window in their apartment, and must pay for the damage. If the payment for the damage was made with the rental payment, then you must keep documentation that the payment was not for rent. If management did not renew a resident's lease, documentation of the reasons for non-renewal should be maintained. Also, retain documentation of the correction of any noncompliance issues raised by the State Agency or other auditors. The best time to purge your files is during the year-end audit.

I've answered hundreds and hundreds of questions for Tax Credit professionals via our Compliance Coach service! Some simple in nature... some very complex. I am not afraid to answer your question and will always be sure to tell you when it is based on current regulations, a common industry opinion or my own opinion. I've worked in the industry since the beginning and am well aware of the history, changes and current environment.. I've worked closely with State Agencies and investors across the nation. **As a customer, I will put all that to work for you!!**

# SIGN ME UP... I want you on my team!

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone #: ( \_\_\_\_\_ ) \_\_\_\_\_

**\*\*Authorized Users:** Client must designate no more than three (3) authorized users for the service. The Client will be provided with an account number that must be referenced when contacting EMC. Service will only be provided to an authorized user. It is the responsibility of the Client to provide EMC with changes to the authorized user list.

	Authorized User Name and Title	Phone	E-mail
1	_____	( _____ ) _____	_____
2	_____	( _____ ) _____	_____
3	_____	( _____ ) _____	_____

Payment Method:  **Check:** (Make check payable to Elizabeth Moreland Consulting)  **Credit Card:**  **Visa**  **MasterCard**  **AmEx**

Card #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_ Amount: \$ \_\_\_\_\_  
Name on Card: \_\_\_\_\_ Signature: \_\_\_\_\_

## Fax or Mail Compliance Coach Sign Up To:

**Fax:** (800) 466-5689

**Mail:** 6907 University Avenue, Suite 196, Middleton, WI 53562

## Conditions of Service

- A. **Service:** Compliance Coach Services will include answers, advice and, if necessary, research relating to the specific scenario submitted. Questions may be submitted using the provided email address. If Elizabeth Moreland Consulting, Inc. (EMC) deems the question beyond their expertise, we will do our best to refer you to a competent expert.
- B. **Timeliness:** EMC will respond to all issues within forty-eight (48) business hours, unless additional research time is required. If additional time is required, EMC will notify Client of the approximate timeframe for a response. Business hours are Monday – Thursday, 10 AM to 4 PM CST. EMC will send notification in advance if on vacation or unavailable for questions for a period of time. Upon our return, questions will be answered in the order received.
- C. **Use of Account Numbers:** It is the responsibility of the Client to indicate their Compliance Coach status and account number in the subject line of any emailed question. If the email does not contain the account number in the subject line, Client negates the 48 hour response guarantee.
- D. **Authorized Users:** Client must designate no more than three (3) authorized users for the service. The Client will be provided with an account number that must be referenced when contacting EMC. Service will only be provided to an authorized user. It is the responsibility of the Client to provide EMC with changes to the authorized user list.
- E. **EMC Service Provider:** Elizabeth L. Moreland will answer the questions personally unless otherwise indicated.
- F. **Fee:** The fee of \$699 provides up to one (1) hour per month of question and answers for the next twelve (12) months. Time remaining at the end of each month will not be carried forward to the next month. Any additional time used each month will be assessed an hourly fee of \$350 per hour. Billed time will accrue based on the actual time spent discussing, researching and documenting topics. Client will always be notified if additional time is needed to answer the question. Client must agree to this additional time prior to the work being performed. A monthly invoice will be sent to the client only if there is an additional amount due.
- G. **Fees for Other Services:** In-depth research and Opinion Letters will be charged Elizabeth's current hourly rate. Billed time will accrue based on the actual time spent discussing, researching and documenting topics. A separate Contract for Services must be executed prior to the work being performed. Fees accrued will be invoiced. Invoices are payable upon receipt and due within 10 days of billing. Late payments will accrue interest at 18%.
- H. **Acknowledgement:** The Client acknowledges that Elizabeth Moreland Consulting, Inc. does not guarantee tax credits nor act as the Client's attorney, agent, employee or representative. Client further acknowledges that any information, documentation or opinion provided is not legal advice.
- I. **Cancellation:** Client may cancel this contract with a written fifteen (15) day notice. Any accrued charges will be invoiced and be due and payable upon receipt. Upon cancellation, the months of service will be charged against the fee at \$50.00 per month, and any amount of the fee remaining will be refunded.
- J. **Delinquent Accounts:** An account that becomes more than sixty (60) days delinquent shall be suspended. No services will be provided until the account becomes current. An account that becomes ninety (90) days delinquent will be cancelled. All reasonable attorney's fees and court costs incurred in the collection of this account shall be the responsibility of the client.