

Sample Tax Credit Compliance Policy

Verification Process

Statement

[Company Name] follows procedures to ensure that all eligibility information is verified in a manner consistent with the Low-Income Housing Tax Credit (LIHTC) program rules.

Standard

General

- All household eligibility information must be verified using third-party verifications, and acceptable alternatives are permitted only when third-party verifications cannot be obtained.
 - If allowed by the state monitoring agency, oral verifications or self-affidavits may be used when the source for the third-party verification is uncooperative. See [Verifications – Uncooperative Sources](#).
- Eligibility determinations cannot be made until all verifications are received and, if applicable, clarified.
- The Community Manager is responsible for knowing the state-specific rules for verifications.
- Other methods of verification that are not identified in this policy must be approved by the COMP on a case-by-case basis before implementation.
- Local and state monitoring agency LIHTC program rules must be followed. If the community's LIHTC program is blended with other affordable programs, the most restrictive program rules must be used.

Third-Party Verifications

- Third-party verifications may be received in the following ways:
 - Source-provided verification completed by the applicable entity
 - These verifications are considered expired and must be regathered if they are received in the office more than 120 days before the effective date of the associated certification.
 - Copies of original documents generated by the original source (if allowed by the state monitoring agency) and provided by the household member.
 - These verifications expire based on specific state monitoring agency requirements.
 - For example, some states allow the Social Security Benefit Verification letter issued at the beginning of the year to be used anytime during its effective period, even if it is received or dated more than 120 days from the effective date of the associated certification.
- Third-party verifications are not needed if the household's total assets are valued at less than \$5,000. See [Asset Income – Household Assets Totaling Less Than \\$5,000](#).

Procedure

Tracking Verifications

1. Compile a list of all verifications that need to be gathered and add them to the Verification Tracking Form.
2. Submit source-provided verifications to the applicable source via mail, fax, or email. Refer to the following policies, as necessary:
 - a. [Income – Verifying Employment and Other Sources](#)
 - b. [Asset Income – General Guidelines](#)
 - c. [Asset Income – Real Estate](#)
 - d. [Asset Income – Other Financial Assets](#)
3. On the tracking form, document all actions taken including the date, name of the source, and additional comments.
4. If the need for additional verifications is discovered, add them to the tracking form.
5. Continue to update the tracking form throughout the entire process.

Follow-Up Attempts

1. Follow up with each third-party source via all available means of communication.
 - a. Document the details of each follow-up attempt on the Verification Tracking Form.