



small-scale housing permanent loan program compliance summary

	developments with both income and rent restrictions
Initial Income Certification and Verification for Existing Residents	<ul style="list-style-type: none"> For all existing households, household income must be verified and certified up to 120 days prior to loan closing using CHFA's Tenant Income Certification form. All income types may be verified using resident-provided documents. See Attachment 1: Acceptable documentation to verify income.
Move-in Income Certification and Verification	<ul style="list-style-type: none"> For new residents, household income must be verified and certified up to 120 days prior to move-in using CHFA's Tenant Income Certification form. Income verification is required at move-in for all restricted units at all AMI levels. All income types may be verified using resident-provided documents. See Attachment 1: Acceptable documentation to verify income.
Annual Income Recertification	<p>100% income-restricted</p> <ul style="list-style-type: none"> Annual recertification of income is not required. <p>Mixed income (income restricted units + unrestricted/market units)</p> <ul style="list-style-type: none"> Household income must be recertified annually up to 120 days prior to the move-in anniversary using CHFA's Tenant Income Certification form. Income verifications are not required after move-in. Instead, the owner/agent may collect a self-certification questionnaire from the residents to document current income and complete the income portion of the Tenant Income Certification form.
Asset Certification and Verification	Not required
Lease Term and Addendum	<ul style="list-style-type: none"> Initial lease term for new occupants must be six months or longer. Affordable Housing Lease Addendum is required.
Gross Rent Definition and Utility Allowances	<ul style="list-style-type: none"> Gross rent must be certified using CHFA's Tenant Income Certification form. Refer to the development's regulatory agreement for its specific gross rent definition, including whether a utility allowance and/or mandatory fees must be included. If a utility allowance is required, refer to CHFA's Utility Allowance Policy for Small-scale and Middle Income Loan Developments and contact your Program Compliance Officer for further guidance.
Fees	<ul style="list-style-type: none"> Unless otherwise specified in the regulatory agreement, any allowed fees that must be paid as a condition to live at the property must be included in the gross rent calculation. Any allowed fees charged to the household must be reasonable and in line with those charged by similar income-/rent-restricted properties. For examples of fees that are and are not permitted, see Section 4.3 of CHFA's Multifamily Program Compliance Manual.
Rent Changes	<ul style="list-style-type: none"> Tenant rent increases during the lease term are not permitted. Owners may increase tenant rent only at lease renewal and in accordance with Colorado state and local law. When permitted, changes in rent should be documented with either a lease addendum or a letter to the tenant stating the new amount and effective date that is signed by the owner and tenant. See Section 4.2 of CHFA's Multifamily Program Compliance Manual.

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File/Compliance Reviews	<ul style="list-style-type: none"> • At least every three years • First review will take place within one year of loan closing. • See Chapter 10 of CHFA's Multifamily Program Compliance Manual.
Physical Inspections	<ul style="list-style-type: none"> • At least every three years • First physical inspection will take place within one year of loan closing. • See Section 10.5 of CHFA's Multifamily Program Compliance Manual.
Owner Certification of Continuing Loan Compliance	<ul style="list-style-type: none"> • Required annually in CHFA's Insight system by January 15th - access here. • Must be signed by an ownership entity representative and may not be signed by the management agent. • See Section 3.2 of CHFA's Multifamily Program Compliance Manual.
Financial Statements	<ul style="list-style-type: none"> • Required annually in CHFA's Insight system. • Refer to the development's regulatory agreement for the type of statements required and the specific due date (typically audited statements due 90 days after the development's fiscal year end). • See Section 3.4 of CHFA's Multifamily Program Compliance Manual.
Occupancy and Demographic Reporting	<ul style="list-style-type: none"> • Must be submitted via a manual report in the format provided by CHFA. • Annual: Report with data as of December 31 for the previous calendar year must be submitted by January 15 in CHFA's Insight system.
Reserve Accounts	<ul style="list-style-type: none"> • Refer to loan closing documents for reserve requirements and whether CHFA's approval is required to withdraw funds from a reserve account. • If CHFA's approval is required, see Chapter 12 of CHFA's Multifamily Program Compliance Manual.
Hazard Insurance Claims	<ul style="list-style-type: none"> • Must be reported to CHFA within 10 days. • See Section 2.7 of CHFA's Multifamily Program Compliance Manual.
VAWA Compliance	<ul style="list-style-type: none"> • Encouraged, not required • See Section 4.12 of CHFA's Multifamily Program Compliance Manual.
Student Status Certification	<ul style="list-style-type: none"> • Not required. Full-time Student Household Rule does not apply.
Noncompliance	<ul style="list-style-type: none"> • Noncompliance may result in a Not in Good Standing designation with CHFA programs and/or other consequences. • See Chapter 17 of CHFA's Multifamily Program Compliance Manual.
Insight	<ul style="list-style-type: none"> • Annual submissions and management review documentation must be uploaded in CHFA's secure Insight system. Owners can also use Insight to access multifamily loan information and to view and download property documents and reports • See Section 2.9 of CHFA's Multifamily Program Compliance Manual.



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Attachment 1: Acceptable Documentation to Verify Income

- Unless noted otherwise, all verification documents must be dated on or up to 120 days before the certification effective date.
- If household receives a Section 8 voucher, owner may obtain the [Public Housing Authority Statement of Income and Assistance](#) instead of obtaining the verification documents outlined below.

income type	acceptable forms of resident-provided documentation to verify income
Employment	Paystubs for three most recent consecutive pay periods; use three-paystub average to annualize income
Business and Self-employment	<ul style="list-style-type: none"> • Most recent federal tax return, including IRS form 1040 and Schedule C, or • Most recent annual profit and loss statement – if the person does not file annual tax returns
Unemployment Benefits	<ul style="list-style-type: none"> • Current benefit statement from the state unemployment agency • Unemployed adults with no current income must complete an Unemployed Resident Affidavit • Include their anticipated income on the Tenant Income Certification to qualify the household.
Retirement Account Income	Annual benefit notification letter, dated within one year of the certification effective date, or a current statement
Social Security	<ul style="list-style-type: none"> • A current annual award or benefit letter mailed to the resident or printed from the resident’s online Social Security account • TPQY - a computer-generated printout detailing Social Security benefits • Both award letter and TPQY report may be dated up to one year prior to the certification effective date.
Public Assistance (TANF, OAP, etc.)	Current award or benefit letter from the local or state agency
Recurring Monetary or In-kind Contributions or Gifts	<ul style="list-style-type: none"> • Verification of Household Assistance or affidavit signed by the person or organization providing the gift, stating the frequency and value of the gift; or • Verification letter from a bank, attorney, or a trustee administering the gift; or • As a last resort, a statement from the receiver of the gift stating the frequency and value of the gift
Student Financial Aid	All financial aid is excluded from household income unless a household has Section 8 housing assistance. If a household has a Section 8 voucher, verify net financial assistance income using the Statement of Aid and Tuition from the person’s educational institution
Alimony	<ul style="list-style-type: none"> • Separation/settlement agreement or a divorce decree stating the amount and type of support and payment schedule; or • A letter from the person paying support; or • Printouts from the court or agency responsible for enforcing the payments; or • As a last resort, a statement or affidavit from the resident stating the frequency and value of the support
Child Support	<p>Court-ordered Child Support</p> <ul style="list-style-type: none"> • Court order, or • Child support enforcement agency record showing the amount received <p>Child Support Outside the Court System</p> <ul style="list-style-type: none"> • Signed and dated statement from the provider as to the amount and frequency of the payments, or • As a last resort, signed and dated statement from the resident stating the frequency and amount of the child support
Real Estate Rental Income	Rental property’s lease, or other reasonable documentation, if a lease has not been executed.