



# USDA Rural Development

# Multi-Family Housing Training



# Tenant Certifications

## Tenant Certification 3560-8

- Reminder! Be sure to read the instructions for the form before attempting to use it!!!
- Remember to use latest version of the form which is dated 4/06. – Remember both the Tenant and Manager need to sign the 3560-8
- Effective Date of the Tenant Certification is ALWAYS EFFECTIVE on the 1<sup>st</sup> day of the month.
- Manager's need to understand the difference between signature dates, the Date of Initial Project Entry and the Effective Date

# Tenant Certifications

## Tenant Certifications Continued

- *Signature Date – When Tenant and Manager/Owner sign the form*
- *Date of Initial Project Entry – Line 23 3560-8; Any day of the month corresponds to Legal (not physical) move in date which is effective date of initial lease. Once this date is known it will never change. It is project entry not unit entry date.*
- *Effective Date – line 1 – 3560-8, must be 1<sup>st</sup> of the month. If line 23 is the 1<sup>st</sup>, Line 1 is the 1<sup>st</sup> of the same month. If line 23 is the 2<sup>nd</sup> to the end of the month, Line 1 is the 1<sup>st</sup> of the next month.*

# Tenant Certifications

## Tenant Certification

- Example – A tenant leases an apt. on February 1<sup>st</sup>. The effective date of the 3560-8 is February 1<sup>st</sup>. A tenant leases an apartment on February 2<sup>nd</sup>. The effective date of the 3560-8 Tenant Certification is March 1<sup>st</sup>.
- If tenant certifications and re-certifications are not received by the 10<sup>th</sup> of the month in which they are effective, they are considered late and there is a penalty of note-rate rent.

# Tenant Certifications

## Tenant Certification Issues

- Manager's should have all applicants and tenants sign a Release form so that all sources of income, assets and allowances can be verified.
- Information for the determination of eligibility is valid for not more than 90 days before the effective date of the tenant certification. Verifications are still valid for a 2<sup>nd</sup> 90 days period with oral reverification.
- The penalty for late submission of Certification and Recertification is Note Rate Rent. Manager's need to be clear on the due date for submission of Certifications in order to avoid costly penalties.

# Tenant Certification

## When to Recertify:

- Annually – at least once in a 12 month period to be done by the expiration date of the current certification.
- Change in household size
- Changes in income when there is a change of \$100 or more per month. Borrowers must recertify changes of \$50 per month if the tenant requests such a change be made.

# Tenant Certifications

## When Recertifications are not Required

- You do not need to do a new Tenant Certification when project rents or utility allowances change or when the tenant household moves to a different unit within the project. To recognize these changes, notate lines 29 and 30, and recompute lines 31 thru 33 and 30 when applicable.
  - *It is strongly suggested that any changes on the Tenant Certification be initialed by both the Borrower/Manager and Tenant.*
  - *A correction to an existing form (otherwise known as a modification) is NOT a Recertification. Therefore, the effective date does not change.*

# Tenant Certifications

## Recertifications

- Interest Credit and RA may be claimed only for tenants WITH current Tenant Certifications.
- Overage up to the Note Rate Rent must be paid by borrowers for tenants WITHOUT current Tenant Certifications if the previous Tenant Certification expired due to failure to recertify on the part of the Borrower.
- If Failure to Recertify is due to the TENANT not complying with Recertification requirements, then penalties may be waived so long as the Borrower has followed the requirements.