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December 19, 2019

To: Hawaii Owners & Agents

From: Mr. Andrew Bowden, CFO and Partner, SPECTRUM Enterprises

RE: Low-Income Housing Tax Credit / Rental Housing Revolving Fund (FKA Rental Housing Trust Fund) / Hula Mae Multi-Family Bond Program
Compliance Monitoring – 2019 Year End Reporting

As we begin 2020, we will be collecting the annual submission of year-end documentation for 2019.

- Annual certification submission for LIHTC properties is required by the Internal Revenue Service, as noted in Section 42 (26 CFR Part I-1.42-5 (c)) of the Internal Revenue Code.
- Annual submission for RHRF properties is required by Section 5, Annual Certification, of each project's Declaration of Land Use Restrictive Covenants.
- Annual submission requirements for HMMF properties are due per Regulatory Agreement and Declaration of Restrictive Covenants. [Please review notes regarding HMMF Quarterly Reporting below.](#)

Every Property is required to submit an Annual Report and Owner's Certificate of Continuing LIHTC (or RHRF or HMMF) Compliance (Owner's certification), a Unit History Report (Status Report Database), a Form HRS 467, and proof of the utility allowances in use for the year in question (2019).

Submission is due by **February 1, 2020.**

REGARDING THE OWNER CERTIFICATION:

The appropriate Owner's Certificate of Continuing Compliance for each property entitled "ANNUAL REPORT AND OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE" may be downloaded from the Hawaii page on our website www.spectrumlihtc.com. Please be sure you are sending the most recent certificate version (2019-12). PLEASE SUBMIT THIS REPORT TO US ELECTRONICALLY to

spectrumendofyear@gmail.com. Paper copies do NOT need to be mailed to Spectrum.

Please note:

- Paper copies are **NOT ACCEPTABLE** and will not be considered a timely submission.
 - The electronic status report database should contain unit events for **2009 - 2019** unless the property placed in service on a later date. Databases containing just 2019 data will not be accepted. Add the unit events for 2019 to the database submitted last year.
 - Review and update all owner and management contact information as needed.

REGARDING HMMF QUARTERLY REPORTING

Executed quarterly HMMF reports with attachments due 1st Quarter (April 15th), 2nd Quarter (July 15th), and 3rd Quarter (October 15th) are submitted electronically to Spectrum Enterprises at spectrumendofyear@gmail.com. Paper copies are not submitted to the HHFDC these quarters. Paper copies of reports with any required monitoring fees are submitted to HHFDC by February 1st with annual submission of year-end documentation.

REGARDING FORM HRS 467

HRS Section 467-7 states that "No person within the purview of this chapter shall act as a real estate broker or real estate salesperson, or shall advertise, or assume to act as a real estate broker or real estate salesperson without a license previously obtained under and in compliance with this chapter and the rules and regulations of the real estate commission." The current version of this form is 2014-09. This form needs to be submitted only once if there are multiple programs requiring documentation submission.

REGARDING UTILITY ALLOWANCE DOCUMENTATION

Documentation *from the source* must be submitted to support the year **2019** utility allowances used at your property, if applicable. This information should be scanned and submitted electronically as well.

Please take note that as an Owner, you are required to maintain all the information we are requesting. Untimely submissions may result in Form 8823 being issued.

If you need electronic technical support, please contact Paul Perpich at 517-277-0120. For all other year end questions call Cathy Turner at 207-805-0036 or Harold Tucker at 207-805-0035.

Sincerely,

Andrew Bouden

SPECTRUM Enterprises

cc: Donna Ho, Compliance Specialist

End of Year (EOY) 2019 Software Instructions

The current version of the EOY software is 6.0.6

Software Updates: There have not been any updates to the software for 2020

Building Identification Numbers (BINs)

HUD is more stringently adhering to the requirement to submit correct BINs as reported on the IRS 8609 form. In the *Building* form in the software there is a [**Format Help**] button that provides information about the correct format building numbers should have.

There is also a [**Check BIN Format**] button that will check the format of the BIN and notify you of any discrepancies. The software will also automatically check the BIN format when the building form is closed as well as when the report file is transferred to Spectrum.

While you will be able to save the building information with an incorrectly formatted BIN and submit the incorrect data to Spectrum for 2018 you may be notified of the problem.

Project ID (LIHTC Only)

Project ID numbers are required for all LIHTC properties. Annually the HHFDC and Spectrum are required to submit project and tenant data to HUD. Without a Project ID recorded in the software this data cannot be submitted. If you are in need of obtaining your Project ID please contact Harold Tucker at HTucker@spectrumlihtc.com. This field should be left blank if your project does not have LIHTC funding. The Project ID number may be set under the Property field in the software.

DATA IMPORT

The Spectrum EOY software is designed to comply with the .XML file standard that was created by the *National Affordable Housing Managers Association (NAHMA)*. The standard is intended to make the mandatory reporting requirements as easy to comply with as possible by eliminating the need to double enter the data in both the management system as well as Spectrum's EOY database.

Most management software (Vendors such as Boston Post (now MRI)/Yardi/RealPage, etc.) provide the ability to create and export a file that can be imported into our software. If you are using a software management system in the daily operation of your property but have not been using the XML import process you should check with your software provider to see if the XML export feature is available on your system.

The most current version of NAHMA XML data standard is 4.0 which provides for the transfer of all the data elements HUD is requiring for 2019. If your management software is not utilizing version 4.0 we recommend that you contact your management software provider to see if it's available for you system. The Spectrum EOY software will import data using the version 4.0 as well as all previous versions of the standard.

If you are using a version of the standard prior to version 3.1 you'll need to manually enter the missing HUD required information for 2019 and beyond.

DATA ENTRY PROCEDURE FOR NEW USERS OR INSTALLING THE SOFTWARE ON A DIFFERENT COMPUTER

- 1) WITHOUT MANAGEMENT COMPANY SOFTWARE
 - a. Download and install our software from the web page for the state the property is located in at www.spectrumlihtc.com
 - b. Using our software - manually create *Owners/Manager/Property/Building/Units/Unit Events* as needed.
 - c. Manually enter data keeping in mind that demographic data will be required for all household members.
 - d. Using our software - follow the blue highlights to locate and correct missing HUD data.
 - e. Using our software - submit the newly created database to us electronically using the menu system from within the Spectrum software.
- 2) WITH MANAGEMENT COMPANY SOFTWARE USING XML
 - a. Download and install our software from the web page for the state the property is located in at www.spectrumlihtc.com
 - b. Using our software- create *Owners/Manager/Property/Building/Units* as needed.
 - c. Following your management system software instructions, create an .XML file from your management company software.
 - d. Import the .XML file into our software
 - e. Using our software - follow the blue highlights to locate and correct missing HUD data.
 - f. Using our software - submit the newly created database to us electronically using the menu system from within the Spectrum software.

DATA ENTRY PROCEDURE FOR EXISTING USERS

- 1) WITHOUT MANAGEMENT COMPANY SOFTWARE
 - a. Manually enter data in the usual manner keeping in mind that demographic data will be required for all household members.
 - b. Follow the blue highlights to locate and correct missing HUD data.
 - c. Submit the data to Spectrum in the usual manner
- 2) WITH MANAGEMENT COMPANY SOFTWARE
 - a. Following your management system software instructions, create an .XML file from your management company software.
 - b. Import the .XML file into our software
 - c. Follow the blue highlights to locate and correct missing HUD data.
 - d. Submit the data to Spectrum in the usual manner