



Frequently Asked SHIP Questions

UPDATE REGARDING LEGAL RESIDENT STATUS AND SHIP PROGRAM ELIGIBILITY:

In response to a question related to the Florida Housing Finance Corporation's Monitoring RFP dated July 27, 2007, the Florida Housing Finance Corporation posted on its Web site that citizenship/legal residency documentation had to be obtained for every household member included in a SHIP application. It was also stated that the revised Section 3-12 F of HUD Handbook 4350.3 REV-1, CHG-2 ("Occupancy Requirements for Multifamily Subsidized Housing Programs") had to be followed. This section requires non-citizens to provide verification of immigration status sufficient to document legal residency for eligibility.

Please note that the Florida Housing Finance Corporation has concluded that the section 3-12 F of HUD Handbook 4350.3 REV-1, CHG-2 does NOT apply to the SHIP Program. Therefore, the following guidance is provided:

If an individual is in the country illegally, it is not good public policy for him or her to benefit from public assistance. It may, in fact, be illegal. Consult your county/city attorney before proceeding further. SHIP administrators should consult with their attorneys in those instances when they are confronted with information that an individual is an undocumented alien. It is not necessary, however, for SHIP administrators to actively ask for proof of citizenship or legal alien status when qualifying applicants for SHIP assistance.

Q: *Please clarify the new language which will be effective in February, 2008 regarding the training of SHIP staff as defined in 67-37.005 (16).*

A: The language in 67-37.005(16) is intended to assure that new or inexperienced staff or staff taking on new responsibilities that are involved in the processing of SHIP applications, eligibility determination or other day to day administration of activities governed under the LHAP to be properly trained through the Catalyst Program. It is not intended to force training on staff that are already trained in the SHIP program nor is it intended to require training of local government staff that work in a tangential manner with the program (finance, auditing, etc.).

The responsibility of asking for training will still primarily fall on the local SHIP administrators as it is a benefit to you,

but the Florida Housing Finance Corporation will have the ability to require training when they see an issue that needs to be resolved.

Q: *Is there a new term which will have to be used in the Annual Reporting?*

A: Yes, the term "Sub Recipient" was added under the new SHIP Rule to identify those organizations or individuals that are contracted by the local government to administer a portion of the SHIP program and are compensated by SHIP "Administrative Expenditures" funds. The Sub Recipients include those in the traditional administrative set aside. Identifying Sub Recipients on the Annual Report will allow the Florida Housing Finance Corporation to know where all Administrative Expenditure funds are being spent. This requirement is not intended to require you to list your lenders, inspectors or other

vendors that are involved in the SHIP process that are compensated through program funds. Addition of the term "Sub Recipient" will be effective February, 2008.

Q: *A staff person in our office is income eligible and needs foreclosure assistance. Is there any rule that would prevent her from applying for SHIP assistance?*

A: This is not an uncommon question as it appears that similar cases have occurred in other jurisdictions. To avoid any concerns about conflict or favoritism, make sure that the applicant is held to the same application standards and overall qualification process as any other applicant. In addition, it is recommended that Personnel Policies and Procedures are reviewed since some jurisdictions prohibit employees from benefiting from their assistance programs.

Have you got a question about the SHIP program? Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP telephone line at (800) 677-4548.



Lydia Beltrán

Q: *An applicant was income certified in March, 2007 for the Purchase Assistance Program and is now applying for the Single Family Rehabilitation Program. Does the applicant have to be re-income certified?*

A: The SHIP monitors and Florida Housing's compliance staff indicate that an applicant must receive assistance within one year of the date of the Income Certification Form. Therefore, a re-certification of income will depend on the date of the Income Certification Form associated with the Purchase Assistance Program and the schedule of the rehabilitation work to be completed.

Q: *Our HHRP funds will be expended in June, 2008. What should be done with the program income that will be received?*

A: The Emergency Rule (67ER06-45) "Uses of and Restrictions upon HHR Program Funds" states that eligible counties and eligible municipalities shall maintain the HHR program funds

and any repayments, recoveries, or program income in a separate trust fund. The local entity shall use any such repayments, recoveries, or program income to further affordable housing objectives consistent with the HHR program, regardless of when such money is recycled. At the termination of the HHR Program, any such repayments, recoveries, or program income may be deposited into the local government's Local Housing Trust Fund.

Q: *An applicant has guardianship of a grand child. There is a savings account that the applicant does not have access to unless a court order is provided. Do I count the savings account as an asset?*

A: No, HUD 4350.3 requires you to only count assets for which the person has access. In this case, the applicant does not have access even though they he/she has guardianship of the child.

Q: *Do I pay documentary stamps and intangible taxes on my SHIP second mortgage when I assist a home buyer?*

A: Documentary stamps must be paid on SHIP second mortgages. However, intangible taxes do not have to be paid on SHIP second mortgages. The statutory basis for addressing intangible tax is outlined in Chapters 199 and 201, F.S. Section 199.183 (1), F.S. It states that "intangible personal property owned by this state or any of its political subdivisions or municipalities shall be exempt from taxation under this chapter." Regarding SHIP transactions, conversations with the Florida Department of Revenue have confirmed that SHIP funds are the property of the state's municipalities and are considered to be "intangible personal property" discussed in this statute. Therefore, SHIP second (or third) mortgages are exempt from intangible taxation. Section 201.08 (1), F.S., addresses the documentary stamp tax. The State requires that all notes or mortgages be subject to this tax and that the Florida Legislature must explicitly state if a certain type of transaction is exempt from the tax. The Legislature has not provided an exemption for SHIP transactions.



Correction to SHIP Clips (Journal Fall 2007)

The following information is a correction/clarification regarding the inclusion/exclusion of a student being away at college.

The change in the HUD Handbook related to "exclusion" of a student applies IF the student has a lease agreement while away from home only when counting people living in a household for purposes of "determining the size of a unit". However, for purposes of the SHIP Program, counting household members is conducted to determine household size for purposes of "Income Limits". Note that this section of the Handbook (determining household size for purposes of income limits) has not changed; therefore, students should be counted regardless of whether he or she is away at college and has a lease agreement.

Section 3-8 (3-6(E)(4)(c) states that when "determining family size for income limits," the owner must include children who are away at school but who live with the family during school recesses.