**Sample HCCP Exam Questions**
For complete information about the Exam, visit **nahb.org/hccpinfo.**

## Section I. Tenant/Qualification Leasing

1. A couple is applying for an apartment at a LIHTC property. The husband earns $10.00 per hour and works between 35 and 39 hours per week. He receives no other income. The wife is a full-time student who works 20 hours per week. She earns $6.00 per hour and receives an annual bonus of $200. What is the total household income for tax credit purposes?
   a. $20,760 b. $24,640. c. $26,520. d. $26,720.

2. A household that has obtained a Section 8 voucher applies for a unit in a tax credit property. Which of the following should NOT be considered when evaluating the household's eligibility?
   a. The household's family size.
   b. Full-time student status of the household.
   c. Housing authority utility allowance
   d. Total household gross income.

3. A state housing agency can delegate all of the following responsibilities to a private contractor EXCEPT:
   a. The review of 1st year tenant files.
   b. Reporting of non-compliance to the owner.
   c. A review of the annual owner's certification.
   d. Notification of non-compliance to the IRS.

## Section II. Tax Credit Accounting/Compliance

1. In the 3rd year of the compliance period, a kitchen fire makes a unit in a tax credit property uninhabitable. The fire occurred on Feb. 1 and the unit is restored and put back in service on Sept. 16 of the same year. The tax credits allowed to the owner for this unit in the year of the casualty are:
   a. 5/12 of a full year of tax credits. b. 4/12 of a year of tax credits.
   c. A full year of tax credits. d. No tax credits are allowed for this unit.

2. A property was placed in service on July 1,1990, and claimed credits in1990. On what date will the 15-year compliance period end?
   June 30, 2004. b. Dec. 31, 2004. c. June 30, 2005. d. Dec.31, 2005.

3. A building was placed in service on June 8, during the first year of the tax credit period. A qualified household moved into a unit on June 12. As of what date may the owner begin to claim credit on the unit?
   a. June 1. b. June 8. c. June 12. d. July 1.

4. A rehabilitation property that received a 2004 tax credit allocation is acquired in November 2004. All occupants are qualified at the date of acquisition. Rehabilitation begins immediately, and the property is completed and placed in service on August 5, 2005. What is the earliest date the tax credit period can begin?
    a. December 2004. b. January 2005.
    c. August 2005. d. September 2005.

5. The available unit rule is triggered at a mixed-income property when a:
    a. Market-rate household moves out.
    b. Tax credit household moves out.
    c. Tax credit household transfers within the same building.
    d. Household is above 140% of area median income at recertification.

6. According to Section 42, who can authorize changing the minimum set-aside election?
    a. The state housing agency. b. The owner.
    c. No one. d. HUD.

7. In year 4 of the credit period, a portion of the community room in a tax credit property is converted into a doctor's office. The doctor is not charged rent to use the space and serves at no charge only the residents of the property. What tax credit consequences will result?
    a. There will be a decrease in eligible basis and possible recapture.
    b. There will be a decrease in qualified basis and possible recapture.
    c. There will be no tax credit consequences.
    d. There will be an increase in eligible basis and more available tax credit.

8. During the fifth year of a building's tax credit period an ineligible household moves into a unit. The household occupies the unit for two months before management discovers the error. The household is relocated within the same tax year. There are no over-income households in the building. What are the tax consequences, if any?
    a. There will be no impact on the credits.
    b. Tax credits will be lost for the whole building.
    c. Tax credits will be lost for the unit.
    d. The state housing agency will determine how the tax credits are affected.

9. First-year initial resident files should be retained for at least how many years?
    a. 6. b. 10. c. 15. d. 21.

10. A state housing agency may delegate to another entity all compliance monitoring functions EXCEPT
    a. Filing Form 8823 with the IRS.
    b. Reviewing income documentation
    c. Performing physical unit inspections.
    d. Collecting annual owner's certification of continuing compliance

11. When must a state housing agency conduct its initial inspection of tenant files for the first year of the credit period?
    a. No later than the end of the first calendar year following the year during which the last building in the project was placed in service.
    b. No later than the end of the first calendar year following the year during which the first building was placed in service.
    c. No later than the end of the second calendar year following the year during which the last building in the project was placed in service.
    d. No later than the end of the second calendar year following the year during which the first building in the project was placed in service.

12. What entity may impose the requirement to rent units to seniors for tax credit purposes?
    a. The state housing agency. b. Local area council on aging.
    c. HUD d. The Social Security Administration

## Section III. Federal/State Laws and Regulations.

1. Certain states require owners to certify that their properties meet the state's procedures quarterly rather than annually as noted in the code. Is this allowed?
    a. Yes, because states are allowed to impose stricter rules than the federal requirements.
    b. Yes, if an owner promises to report quarterly.
    c. No, because annual certification is the only certification necessary.
    d. No, because the IRS doesn't care about anything other than annual certification.

2. Under what circumstances are state agencies allowed to set more stringent restrictions than required by Section 42?
    a. If they obtain permission from the IRS first.
    b. Under no circumstances
    c. If they obtain permission from HUD.
    d. If the restrictions are first adopted in the qualified allocation plan.

## Sample Exam Questions Answer Key

### Section I. TENANT/QUAL LEASING

1. d. 2. c. 3. d.

### Section II. TAX CREDIT ACCT/COMP

1. c. 2. b. 3. d. 4. b. 5. d. 6. c. 7. c. 8. a. 9. d. 10. a. 11. c. 12. a.

### Section III. FED/STATE LAWS/REGS

1. a. 2. d.