

Alabama Housing Finance Authority

**Functional Analysis
&
Records Disposition Authority**

**Presented to the
State Records Commission
October 27, 2010**

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Functional and Organizational Analysis of the Alabama Housing Finance Authority

Sources of Information

Code of Alabama 1975, Section 24-1A-1 through 24-1A-21

Code of Alabama 1975, Section 8-1A-1 through 8-1A-20 (Uniform Electronic Transactions Act)

Code of Alabama 1975, Section 41-10-35 through 41-10-43 (Industrial Development Authority — State Ceiling)

Alabama Housing Finance Authority publications

Alabama Housing Finance Authority Website

Alabama Government Manual (2006), p. 559

Alabama Housing Finance Authority Audit Report (2006-2008)

U.S. Department of Housing & Urban Development Regulations

U.S. Securities and Exchange Commission Regulations

U.S. Treasury (IRS) Regulations

Historical Context

The Alabama Housing Finance Authority (“AHFA” or “Authority”) was created in 1980 by Acts of Alabama No. 80-585, codified at Section 24-1A-1, *et seq.*, *Code of Alabama 1975*.

Authority Organization

The Authority is a public corporation and an independent instrumentality of the State of Alabama governed by a fifteen-member Board of Directors. The Board is composed of the Director of Finance; the Superintendent of Banking; the State Treasurer; seven members appointed by the Governor, one from each Congressional District; one member appointed by the Governor from the State at large; two members appointed by the Lieutenant Governor; and two members appointed by the Speaker of the House of Representatives. Of the members appointed by the Governor from the Congressional Districts, two shall be engaged in the business of home building, two shall be licensed real estate brokers, one shall be a residential mortgage lender or employee of a residential mortgage lender, one shall be a county commissioner, and one shall be a mayor. The Board of Directors elects from among its members a chairman, vice chairman, secretary, treasurer, and such other officers as it deems necessary. It may elect an assistant secretary and an assistant treasurer who are not members of the Board. Members serve for seven-year staggered terms, with the Director of Finance, the Superintendent of Banking, and the State Treasurer serving as *ex officio* members.

The Board of Directors employs an Executive Director to manage the business affairs of the Authority, and the Board may appoint, employ, or contract with and provide for the compensation of such employees, attorneys, fiscal advisors, and agents as the business of the Authority may require. Currently, the Authority has the following divisions: Executive, Legal, Accounting, Audit, Research and Planning, Multi-family Housing, and Single Family Housing.

Authority Function and Subfunctions

The Alabama Legislature created the Authority to work cooperatively with those in the business of making mortgage loans so as to provide a more adequate supply of funds at interest rates sufficiently low to enable the financing of safe and sanitary multi-family dwelling units and single family dwelling units for the citizens of Alabama of low and moderate incomes. In furtherance of its statutorily-mandated responsibilities, the Authority engages in the following programs:

- **Promulgating Rules and Regulations.** Section 24-1A-5(6), *Code of Alabama 1975*, authorizes the Authority to “adopt, and from time to time amend and appeal, bylaws and rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority in the conduct of its business.” In *Opinion No. 82-563*, September 22, 1982, the Attorney General opined that the Authority is not an agency of the state within the purview of the Alabama Administrative Procedures Act and, therefore, not subject to that act’s requirements.
- **Issuing and Selling Bonds.** Section 24-1A-5 through 11, *Code of Alabama 1975*, authorizes the Authority “to sell and issue bonds in order to provide funds for any corporate function, use, or purpose.”
- **Administering Home Ownership Programs.** Through its First Step and Step Up financing programs, the Authority offers affordable interest rates and entry cost assistance on 30 year, fixed-rate mortgage loans to low and moderate income home buyers. Additional programs administered by AHFA to assist home buyers include the Mortgage Credit Certificate program (a program that provides a direct dollar-for-dollar reduction in federal income tax worth 20% of the mortgage interest paid each year) and Habitat for Humanity (a program under which the Authority purchases mortgage loans from Alabama Habitat affiliates in a lump sum so that the affiliate may use the funds to build more housing for low-income families).
- **Administering Rental Programs.** The Authority offers a variety of rental programs designed to provide housing opportunities to people who are not ready for home ownership or for elderly/disabled people. Through the HOME Investment Partnership Program (a federally funded program that provides annual allocations that may be used by developers to buy land and build affordable housing), the Low-Income Tax Housing Credits (a financial incentive program to help developers buy land/buildings and build/repair housing to be rented to low-income families), and Multi-family Bonds (which offers developers low interest rates in exchange for reserving a portion of their units for tenants earning less than the area’s median income), AHFA helps finance the construction or rehabilitation of affordable housing for low-income residents.
- **Administering Mortgage Servicing Program.** The mortgage servicing program offers residential mortgage servicing for loans of the Authority and for financial institutions. The Servicing Department has received approvals from the Federal Housing Authority

(FHA), Veterans Affairs (VA), Rural Development, Fannie Mae, and Ginnie Mae to service loans originated by financial institutions.

- **Administering Internal Operations.** A significant portion of the Authority's work includes general administrative, financial, and personnel activities performed to support the programmatic areas of the Authority.

Managing the Authority: Activities include internal office management work such as corresponding and communicating; scheduling; meeting; documenting policy and procedures; reporting; litigating; drafting, promoting, or tracking legislation; publicizing and providing information; managing records; and managing information systems and technology.

Managing Finances: Activities include budgeting; purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, disbursement, and reconciliation of funds through a system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; assisting in the audit process; investing; and issuing bonds.

Managing Human Resources: Activities involved in managing human resources may include the following; recruiting and hiring qualified individuals to fill vacant positions within the Authority; providing compensation and benefits to employees; supervising employees (evaluating performance, disciplining, granting leave, and monitoring the accumulations of leave); and providing training and continuing education for employees.

Managing Properties, Facilities, and Resources: Activities involved in managing properties, facilities, and resources may include the following: inventorying and accounting for non-consumable property; constructing buildings and facilities; leasing and/or renting offices or facilities; providing for security and/or insurance for property; and assigning, inspecting, and maintaining Authority property.

Analysis of Record Keeping System and Records Appraisal of the Alabama Housing Finance Authority

Authority Record Keeping System

The Alabama Housing Finance Authority currently operates a record keeping system composed of paper and electronic records. The maintenance of Authority records in electronic media is authorized by the Alabama Uniform Electronic Transactions Act, Section 8-1A-1, *et seq.*, *Code of Alabama 1975*.

The Authority maintains a website at www.ahfa.com. Information available includes descriptions of the services and programs offered by the Authority, application processes, and current news about the Authority and the housing industry that may be helpful to customers and clients.

Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the Alabama Housing Finance Authority: Temporary Records and Permanent Records.

I. Temporary Records. Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the Authority are discussed below:

- **Workers Compensation and Occupational Health and Safety Administration (OHSA) Claims.** The United States Department of Labor and OSHA require the Authority to retain this series for 30 years following the fiscal year during which termination of employment occurred. (RDA page 3-2)
- **Widely Held Fixed Investment Trust documentation.** GinnieMae and MBS guidelines require the Authority to retain this series for 30 years following the fiscal year during which the record was created. (RDA page 3-3)
- **Records relating to the allocation of state ceiling (volume cap).** The Authority retains this series for 50 years following the fiscal year during which the record was created. The Authority recommends this retention to keep the records for the life of bonds plus any bond refunding periods. (RDA page 3-3)
- **Mortgage Credit Certificate (MCC) Compliance Rejections.** The Internal Revenue Service requires the Authority to retain this series for 33 years following the fiscal year during which the loan rejection occurred. (RDA page 3-6)
- **Software Escrow Analysis.** The Veterans Administration, Rural Housing Service, and the Department of Housing and Urban Development require the Authority to retain this series for 30 years following the fiscal year during which the software was converted. (RDA page 3-7)

- **Mortgage Servicing Files - Partial Claims.** The Department of Housing and Urban Development requires the Authority to retain this series for 30 years following the fiscal year during which the claim was filed. (RDA page 3-7)
- **Mortgage Servicing Files - Special Forbearance Claims.** The Department of Housing and Urban Development requires the Authority to retain this series for 30 years following the fiscal year during which the claim was filed. (RDA page 3-7)
- **Mortgage Servicing Files - Breach letters, bank statements, cutoffs, bank reconciliations, book transfers, service bureau reports, mortgage and private mortgage insurance premiums, purged notes, year-end histories, escrow analyses, and related files.** GinnieMae and FannieMae require the Authority to retain this series for 30 years following the fiscal year during which the report was created. (RDA page 3-7)

II. Permanent Records. The following records are permanent.

- **Meeting Agendas, Minutes, and Packets of the Board of Directors.** These records document proposed and executed proceedings of meetings. They are the core documentation of the board's policy making and other program related functions. (RDA page 3-2) **(Bibliographic Title: Meeting Agendas, Minutes, and Packets of the Board of Directors)**
- **Records Destruction Documentation.** The decision to maintain these records permanently was a business decision made by the Authority as it provides evidence that the record has been destroyed. (RDA page 3-2) **(Bibliographic Title: Records Destruction Documents)**
- **Annual Report.** The annual report includes informational and financial data on the Authority's programs. (RDA 3-2) **(Bibliographic Title: Annual Report)**
- **Revenue Bonds.** All records related to the issuance and sale of revenue bonds shall be maintained in transcript form. (RDA page 3-3) **(Bibliographic Title: Revenue Bonds)**
- **Website.** The Authority maintains a website at www.ahfa.com. Information available includes descriptions of the services and programs offered by the Authority, application processes and current news about the Authority and the housing industry that may be helpful to customers and clients. The Authority's publications (newsletters, reports, and program brochures) are also available on the website. This is also where the agency plans to maintain information about its history. (RDA page 3-3) **(Bibliographic Title: Website)**
- **Accounting Records.** Financial statements and general ledgers for bond issues, general fund and housing assistance fund, and federal housing programs shall be permanently maintained by the Authority. (RDA page 3-4) **(Bibliographic Title: Accounting Records)**

Permanent Records List

Alabama Housing Finance Authority

Office of the Executive Director

1. Meeting Agendas, Minutes, and Packets of the Board of Directors
2. Records Destruction Documentation
3. Annual Report

Office of the General Counsel

1. Revenue Bonds

Research and Planning Division

1. Website

Accounting Division

1. Accounting Records

Alabama Housing Finance Authority Records Disposition Authority

This Records Disposition Authority (RDA) is approved by the State Records Commission under the authority granted by Sections 41-13-5 and 41-13-20 through 21, *Code of Alabama 1975*; and the Board of Directors of the Alabama Housing Finance Authority. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with representatives of Alabama Housing Finance Authority. The RDA lists records created and maintained by the Alabama Housing Finance Authority in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Authority to implement records destruction.

Explanation of Records Requirements

- The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the programs to which the records belong.
- Certain records and record-related materials need not be retained as records under the disposition requirements in this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document Authority activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete; and (4) transitory records, which are temporary records created for short term internal purposes that may include, but are not limited to, telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information purposes but not needed for future business; and internal communications about social activities. They may be disposed of without documentation of destruction.

Records Disposition Requirements

This section of the RDA is arranged by divisions of the Alabama Housing Finance Authority and lists the groups of records created and/or maintained by the Authority as a result of activities and transactions performed in each division.

■ **Office of the Executive Director**

General Administrative Records and Correspondence
Disposition: Temporary Record. Retain for useful life.

MEETING AGENDAS, MINUTES, AND PACKETS OF THE BOARD OF DIRECTORS
Disposition: PERMANENT RECORD.

RECORDS DESTRUCTION DOCUMENTATION (forms documenting the destruction of records)
Disposition: PERMANENT RECORD. Retain in office.

ANNUAL REPORT
Disposition: PERMANENT RECORD.

Employee Records:

- a. I-9 Forms
Disposition: Temporary Record. Retain for 3 years following the fiscal year in which the employee was hired or 1 year following the fiscal year after separation of the employee from the Authority, whichever is later.
- b. Family Medical Leave Act/Uniformed Services Employment and Reemployment Rights Act (FMLA/USERRA) and related leave records, benefit records
Disposition: Temporary Record. Retain for 6 years following the fiscal year after separation of the employee from the Authority.
- c. All other records related to personnel administration
Disposition: Temporary Record. Retain for 5 years following the fiscal year after separation of the employee from the Authority.

Flexible Benefit Plan Election and Claim Records
Disposition: Temporary Record. Retain for 6 years following the fiscal year during which the plan is terminated.

Pension/Retirement Plan Summaries and Annual Reports
Disposition: Temporary Record. Retain for 10 years following the fiscal year during which the plan is terminated.

Workers Compensation and Occupational Health and Safety Administration (OHSA) claims
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which termination of employment occurred.

■ **Office of the General Counsel**

General Administrative Records and Correspondence
Disposition: Temporary Record. Retain for useful life.

REVENUE BONDS. Bonds are issued to fund the housing programs of the AHFA. The AHFA hires a bond trustee, usually a bank, to oversee the transactions with the bond holders. The AHFA Bond files document the bonds issued, dates issued, rates, and name of bond trustee.

Disposition: PERMANENT RECORD. Retain in office.

Revenue Bond Drafts of Documents and Working Papers compiled during the process of issuance of bonds

Disposition: Temporary Records. Retain until the receipt of the official transcript of the bond issue.

Secondary Marketing Records. These records document AHFA's activities in buying loans with AHFA funds, packaging the loans into mortgage-backed securities, and selling the mortgage-backed securities on the secondary market:

- a. Marketing Reports, Service Released Premium Capitalization Test Documentation
Disposition: Temporary Record. Retain for 3 years following the fiscal year in which the record was created.
- b. Settlement Documents, Trade Tickets, Trade Blotters, Confirmations, Broker-dealer Statements
Disposition: Temporary Record. Retain for 6 years following the fiscal year during which the record was created.
- c. Widely Held Fixed Investment Trust documentation.
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which the record was created.

Records relating to the allocation of state ceiling (volume cap) Federal law limits the volume of tax exempt bonds that can be issued and sold within each state for "private activities" to the amount established annually by the Internal Revenue Service based upon a state's population. Alabama law allocates twenty-five percent of Alabama's total allocation to AHFA each calendar year and the State Industrial Development Authority may allocate additional volume cap to AHFA from other categories. These records document annual allocations of volume cap to AHFA and the uses to which the allocation was put.

Disposition: Temporary Record. Retain for 50 years following the fiscal year during which the record was created.

■ **Research and Planning Division**

WEBSITE

Disposition: PERMANENT RECORD. PRESERVE A COMPLETE COPY ANNUALLY OR AS OFTEN AS SIGNIFICANT CHANGES ARE MADE.

Information Technology (IT) Systems Service Life Cycle Records (records pertaining to the design, operation, and service transition of Authority information technology-based systems)

Disposition: Temporary Record. Retain for the useful life of the particular system.

Monthly back-up tapes of IT systems operations

Disposition: Temporary Record. Retain 3 years following the fiscal year during which the tape was created.

Supporting Documentation for Publications

Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the publication was published.

(Publications are preserved on the Authority's website)

General Administrative Records and Correspondence (including photo consent forms, photographs, and digital photograph files of program participants that appear in Authority publications)

Disposition: Temporary Record. Retain for useful life.

■ **Accounting Division**

General Administrative Records and Correspondence

Disposition: Temporary Record. Retain for useful life.

ACCOUNTING RECORDS (FINANCIAL STATEMENTS AND GENERAL LEDGERS FOR BOND ISSUES, GENERAL FUND, AND HOUSING ASSISTANCE FUND, AND FEDERAL HOUSING PROGRAMS)

Disposition: PERMANENT RECORD. Retain in office.

Administration of Bond Issues:

- a. Arbitrage rebate records, cash flow records, correspondence, reconciliation reports, trust statements. These records document the bond issue activities with the bond trustee.

Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the bonds were redeemed.

- b. Disclosure Reports
Disposition: Temporary Record. Retain for 3 years following the fiscal year in which the report was created.

General Fund and Housing Assistance:

- a. Fixed Asset Records (records of all properties for which AHFA holds the mortgages)
Disposition: Temporary Record. Retain for 3 years following the fiscal year in which the asset was disposed of.
- b. Records of cash disbursements, deposits, correspondence, expense reports, vendor files, Mortgage Bankers Association (MBA) quarterly reports and supporting documents, reconciliations, and banking statements
Disposition: Temporary Record. Retain 5 years following the fiscal year during which the record was created.
- c. Contracts, leases, and down payment assistance records
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the contract, lease, or down payment assistance record terminated.
- d. Electronic checks processed through remote deposit
Disposition: Temporary Record. Retain original for 90 days following the month during which the check was processed.

Payroll Records:

- a. Payroll work sheets, check registers, direct deposit records, time sheets, leave and earning statements, tax records
Disposition: Temporary Record. Retain for 4 years following the fiscal year during which the record was created.
- b. Payroll deduction authorizations
Disposition: Temporary Record. Retain for 6 years following the fiscal year during which termination of employment occurred.
- c. Garnishments, tax levies, court orders, child support payment orders, other judicial records
Disposition: Temporary Record. Retain for 7 years following the fiscal year during which the order was paid.

Federal Housing Program Files (bank statements, case disbursements, contracts, correspondence, deposits, expense reports, indirect cost proposal records, match worksheets and supporting documents, reconciliations)

Disposition: Temporary Record. Retain for 5 years following the fiscal year of the mortgage satisfaction.

Records supporting annual audits

Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the audit was completed.

Records pertaining to competitive bidding for goods and services

Disposition: Temporary Record. Retain for 7 years following the fiscal year during which the contract was let.

■ **Single Family Housing Division**

General Administrative Records and Correspondence

Disposition: Temporary Record. Retain for useful life.

Program Files:

- a. Rehab Assistance Partnership, Habitat for Humanity Loan Purchase Program, Mortgage Credit Certificate (MCC) Compliance, Cancellations
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the last required action occurred.
- b. American Dream Downpayment Initiative (ADDI)
Disposition: Temporary Record. Retain for 10 years following the fiscal year during which the loan was originated.
- c. Ginnie Mae/Fannie Mae Pool Schedules
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the last loan in the pool was paid in full or liquidated.
- d. Mortgage Credit Certificate (MCC) Compliance Rejections
Disposition: Temporary Record. Retain for 33 years following the fiscal year during which the loan rejection occurred.

Lender Files: These files contain the applications, application supporting documentation, and correspondence relating to applying for and receiving monies through any of the programs listed below.

- a. First Step Program
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the final redemption of the bonds occurred.
- b. Mortgage Credit Certificate Program (MCC)
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the loan matures.
- c. Step Up Program
Disposition: Temporary Record. Retain for 1 year following the fiscal year during which the last loan originated by the lender matures.
- d. American Dream Down-payment Initiative Program
Disposition: Temporary Record. Retain for 10 years following the fiscal year during which the last loan was originated by the lender.

Reports:

- a. First Step and Step Up Funding Summary, Weekly Compliance, Funding & Delivery
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the report was created.
- b. MCC Quarterly & Annual, Mortgage Revenue Bond Annual, ADDI, Integrated Information Disbursement Systems (IDIS)
Disposition: Temporary Record. Retain for 5 years following the fiscal year of maturity, redemption, payment, or forgiveness.
- c. First Step and Step Up Emphasys Software & Paradox Records
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which all loans have matured.
- d. Software Escrow Analysis
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which the software was converted.

Mortgage Servicing Files:

- a. Paid-in-full Records
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the loan was paid in full.

- b. Pre-Foreclosure and Foreclosure
Disposition: Temporary Record. Retain for 6 years following the fiscal year during which the foreclosure was completed.
- c. Partial Claims
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which the claim was filed.
- d. Special Forbearance Claims
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which the claim was filed.
- e. IRS 1098/1099 Rejects
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the rejects were finally resolved.
- f. Department of Housing and Urban Development (HUD)/USDA Rural Housing/Ginnie Mae/Fannie Mae/Veteran Affairs servicing audit files
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the audit was finally resolved.
- g. Returned mail default
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the item was returned.
- h. Breach letters, bank statements, cutoffs, bank reconciliations, book transfers, service bureau reports, mortgage and private mortgage insurance premiums, purged notes, year-end histories, escrow analyses, and related files
Disposition: Temporary Record. Retain for 30 years following the fiscal year during which the report was created.
- i. General/escrow disbursement checks, cash work-daily balancing, advance claims, billing reports, Automated Clearing House (ACH) reports, and optional insurance records
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the record was created.
- j. Checks processed through remote deposit
Disposition: Temporary Record. Retain for 1 year following the fiscal year during which the check was processed.

- k. Cash work coupons
Disposition: Temporary Record. Retain for 2 years following the fiscal year during which the work was applied to a customer account.
- l. Returned mail customer service
Disposition: Temporary Record. Retain for 1 year following the fiscal year during which the record was received.

■ Multi-Family Housing Division

For the purposes of this category (Multi-Family Division), the following terms shall have the following meanings:

_____ “Affordability Period (Housing Credit) means the 15-year period commencing the first taxable year of the Credit Period with respect to the Project and the Extended Use Period and any other extended use agreed upon by the project owner. If HOME funds are combined with Housing credits, the longer Affordability Period will be used.

_____ “Affordability Period (HOME Funds) means the 20-year period commencing upon the completion of the project.

_____ “Compliance Period” means the 15-year period commencing with the first taxable year of the Credit Period.

_____ “Extended Use Period” means the term commencing at the beginning of the Compliance Period and ending 15 years after the close of the Compliance Period plus such additional term as elected by the owner.

General Administrative Records and Correspondence
Disposition: Temporary Record. Retain for useful life.

Multi-family bond applications:

Disposition: Temporary Record. Retain for 3 years following the fiscal year of either the year during which the bonds were redeemed or, if the bond issue was not closed, 3 years following the fiscal year during which the application was received.

Low-Income Housing Tax Credits (A financial incentive program to help developers buy land/buildings and build/repair housing, a portion of which is to be rented to low-income families):

- a. Funded applications
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Affordability Period ends.

- b. Non-funded applications, foreclosures, returned Housing Credits
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the application is not funded, there is a foreclosure, or a credit is returned.
- c. Housing Credit allocation plans, Form 8609 allocating documents, Form 8610 annual report, governor's approval letter, national pool requests, Government Accountability Office (GAO) audits
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Low-Income Housing Tax Credit program was terminated.
- d. Plans and specifications
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the records were received.

HOME Investment Partnership Program (HOME) (A federally funded program that provides annual allocations that may be used by developers to buy land and build affordable housing.):

- a. HOME loan documents including applications, logs, qualifying files
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Affordability Period ends.
- b. HOME allocation plans, audits
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the HOME program was terminated.
- c. Community Housing Development Organization (CHDO) inactive files and Line of Credit (CD/LOC) renewals
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the record was created.
- d. Davis Bacon including payrolls for subcontractors during construction phase of HOME loans, monthly employee interviews, pictures of construction progress relating to HOME loans
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the loan was closed.
- e. Check requests
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the request was made.
- f. Monthly time sheets for program participants
Disposition: Temporary Record. Retain until the end of the fiscal year during which the HUD audit approval is received.

- g. HOME bank statements, reserve accounts, reserve requests, financial statements, bids and professional services contracts
Disposition: Temporary Record. Retain for the preceding 5 year period until 5 years after the Affordability Period ends.

Tax Credit Assistance Program (TCAP)/Tax Credit Exchange Program (Exchange):

- a. TCAP funded applications
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the loan is paid in full.
- b. Exchange funded applications
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Affordability Period ends.
- c. TCAP/Exchange non-funded applications, TCAP/Exchange notification of intent not-to-use
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the application is non-funded or non-use notification is received.

Compliance/Audit:

Multi-family Bond Program (A program which offers developers low interest rates in exchange for reserving a portion of their units for tenants earning less than the area's median income.):

- a. Multi-family bond with Housing Credit records from audit, multifamily bond occupancy and trustee certifications, IRS Form 8823, Housing Credit record from audits, owner certifications
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Compliance Period ends.
- b. Multi-family bond without Housing Credit records from audit
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the bond matures.
- c. HOME audit reports
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Affordability Period ends.

Administrative/Underwriting:

- a. Correspondence, public comments, budgeting information, public hearing minutes, workshop materials, mail log, Gulf Opportunity (GO) Zone records
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the record was created or received.
- b. Annual underwriting records, application processing records, mental illness/mental retardation records
Disposition: Temporary Record. Retain for 5 years following the fiscal year during which the Compliance Period ends.
- c. Credit reports
Disposition: Temporary Record. Retain for 1 year following the fiscal year during which the report was received.
- d. Personal/organizational financial statements received in applications for funding under multi-family programs administered by AHFA
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the application was received.

■ **Internal Audit and Quality Control Division**

General Administrative Records and Correspondence
Disposition: Temporary Record. Retain for useful life.

Quality Control:

- a. Internal and External Compliance Audits (HUD, IRS, Examiners of Public Accounts, etc.)
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the audit was completed.
- b. Checklists and Policies
Disposition: Temporary Record. Retain for 2 years following the fiscal year during which the last revision was made.
- c. Foreclosure Audits
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the claim was closed.

Internal Audits:

- a. Policies and procedures, checklists and audit procedures
Disposition: Temporary Record. Retain for 2 years following the fiscal year during which the document was revised.
- b. Audit reports and correspondence
Disposition: Temporary Record. Retain for 3 years following the fiscal year during which the report or correspondence was issued.

Requirement and Recommendations for Implementing the Records Disposition Authority (RDA)

Section 41-13-21, Code of Alabama 1975, provides that “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Alabama Housing Finance Authority as stipulated in herein.

- The Authority should designate a records liaison, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the Authority, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the Authority’s approved RDA.
- Permanent records in the Authority’s custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.
- Destruction of temporary records, as authorized in this RDA, should occur Authority-wide on a regular basis — for example, after the successful completion of an audit or at the end of a fiscal year. Despite the RDA’s provisions, no record should be destroyed that is necessary to comply with audit requirements or any legal notice or subpoena.
- This RDA is designed to meet state and federal requirements. If federal program requirements change or new programs are added, ensure federal requirements are followed until the RDA is revised.
- The Authority should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the Authority chooses to maintain permanent

records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

- Electronic mail contain permanent, temporary, or transitory record information. Although e-mail records can be printed out, filed, and retained according to the RDA's requirements, the Authority should preferably employ an electronic records management system capable of sorting e-mail into folders and archiving messages having long-term value.
- The Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the Authority and inspect records destruction documentation. Government Records Division archivists are available to instruct the Authority's staff in RDA implementation and otherwise assist the Authority in implementing its records management program.

The State Records Commission approved this records disposition authority on October 27, 2010.

Edwin C. Bridges, Chairman, by Tracey Berezansky
State Records Commission

Date

The Board of Directors of the Alabama Housing Finance Authority approved this records disposition authority on September 8, 2010, and authorized its Executive Director to take all actions necessary and prudent to administer the Authority's records system in accordance with all applicable laws and regulations.

Robert Strickland, Executive Director
Alabama Housing Finance Authority

Date