

Ohio Housing Finance Agency

To: Owners and Managers of Low Income Housing Tax Credit Projects
From: Brian Carnahan, Director, Office of Program Compliance
Re: Reporting of Non-Compliance to the Internal Revenue Service
Date: 2-21-2014

OHFA is revising its policy for reporting physical non-compliance to the Internal Revenue Service (IRS). This revision becomes effective for **OHFA Low Income Housing Tax Credit (LIHTC)** compliance reviews conducted on or after **March 1, 2014**.

The IRS expects state housing agencies such as OHFA to report **all** non-compliance of which it becomes aware after the IRS "Bright Line" (i.e., date of the letter scheduling the on-site review). While OHFA did not previously report physical non-compliance rectified before the end of the correction period, this change is necessary for OHFA to remain in compliance with IRS requirements as outlined in IRS Regulation 1.42-5.

Any non-compliance identified by OHFA that is uncorrected at the time of the on-site review, including minor non-compliance repaired at the time of the review, will be reported to the IRS on Form 8823.

We recognize that this change in policy is significant, and thank you in advance for your prompt attention to this matter.

Please direct any questions regarding this policy change to **Brian Carnahan** by e-mail at bcarnahan@ohiohome.org or by telephone at 614.728.5608.