OHIO HOUSING FINANCE AGENCY

OCCH
OHIO CAPITAL CORPORATION FOR HOUSING

Acquisition and Rehabilitation Training

TABLE OF CONTENTS

Section One
ESSENTIALS..5

Section Two
START OF AND MAXIMIZING CREDITS.......................................13

Section Three
BEST PRACTICES..19

Section Four
CERTIFYING RESIDENTS..28

Section Five
ACQUISITION/REHAB TRANSFERS...37

Section Six
RESYNDICATION...47

Acquisition-Rehabilitation Helpful Resources....................53

About the Ohio Housing Finance Agency

Shawn Smith
Executive Director

Betsy Krieger
Training and Technical Assistance Administrator

Web: **www.ohiohome.org**
Phone: **888.362.6432**
Fax: **614.644.5393**

STAY **CONNECTED...**

Join our mailing list at www.ohiohome.org.

The Ohio Housing Finance Agency (OHFA) facilitates the development, rehabilitation and financing of low- to moderate-income housing. The Agency's programs help first-time homebuyers, renters, senior citizens, and others find quality affordable housing that meets their needs. Formerly a division of the Ohio Department of Development, OHFA became an independent state agency on July 1, 2005 through Amended Substitute House Bill (HB) 431. OHFA funds competitive fixed-rate mortgage loans and provides financing for the development and rehabilitation of affordable rental housing through the Housing Tax Credit program, issuing tax-exempt mortgage revenue bonds, and other affordable housing programs.

Our Mission

We Open the Doors to an Affordable Place to Call Home.

About the Ohio Capital Corporation for Housing

Catherine Cawthon
President & CEO

Melanie Shapiro
Director of Compliance & Training

Web: **www.occh.org**
Phone: **614.224.9371**
Fax: **614.629.3050**

OCCH
OHIO CAPITAL CORPORATION FOR HOUSING

OCCH is a nonprofit financial intermediary based in Columbus, Ohio that works with private and public developers to create affordable housing opportunities using the Low Income Housing Tax Credit program. Since 1989, OCCH has invested more than $5 billion in the construction, rehabilitation, and preservation of affordable housing; creating economic opportunities, stable communities, and empowering those most in need.

Our Mission

Our mission is to advance the preservation, production, and management of affordable housing through collaborative partnership and innovative thought leadership.

Vision Statement

We envision a world where stable, affordable housing is available to all, and the residents and communities we serve feel supported and empowered to grow and thrive.

SECTION ONE: ESSENTIALS

TYPES OF REHAB PROJECTS

The rehabilitation of a property can take many forms and each of these forms require different approaches to certifying residents. In some cases, an owner may be purchasing a property and rehabbing it. In other cases, the owner may be rehabbing a property that was purchased previously. We will see later that properties that were not purchased as part of this deal have different timing considerations in certifying residents.

Acquisition/Rehab Projects - an owner purchases a property and rehabs the property

Rehab Only - an owner rehabs a property that they previously purchased

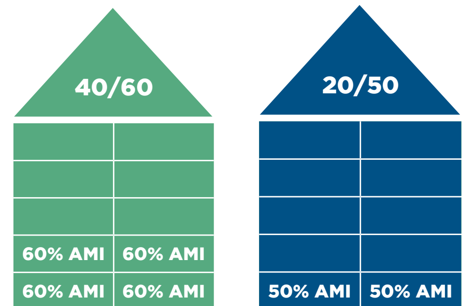
Adaptive Reuse - transforms a non-residential building that was previously used for another purpose into housing units. Examples of adaptive reuse are schools and hotels being rehabilitated into an affordable housing project.

Resyndication - these projects involve a property which previously received tax credits and is then awarded a new allocation of credits. We will discuss resyndications later during this training.

Minimum Set Asides

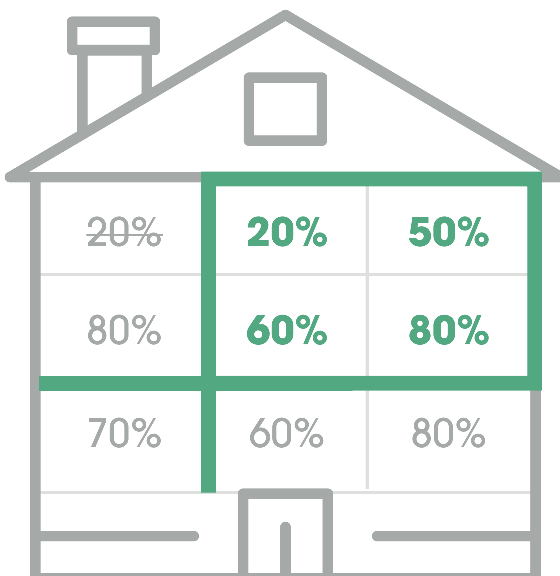
The minimum set aside (MSA) is the minimum number of Low Income Housing Tax Credit (LIHTC) units that must be reserved for a project to produce a tax credit. In Ohio, there are three minimum set-asides:

- **40/60** – meaning 40% of the units in a project will be income and rent restricted to households at/or below 60% of the area median gross income (AMGI)
- **20/50** – meaning 20% of the units in a project will be income and rent restricted to households at/or below 50% of AMGI
- **Average Income** (AI) – The Consolidated Appropriations Act, of 2018, also known as the omnibus spending bill created a new IA set aside. At least 40% of the units must be both rent restricted and occupied by individuals whose incomes do not exceed the 60% AMGI. The average of the designated imputed income limits cannot exceed 60% of AMGI.



Income averaging applies to the designated income/ rent levels of the units, not the incomes of individual tenant households

Average Income MSA Example



9 total units x 40% = 3.6 units

This shows that at least 4 units are needed to meet the 40% requirement.

20% + 50% + 60% + 80% / 4 = 52.5%

4 units with average ≤ 60% meets the minimum set aside. OHFA requires the entire projects awarded before 2018 to average at 60% or below. The 9 units average to 57.8%.

Key Components of Annual Tax Credit Calculation

Tax Credits can be involved in new construction of a building, the rehab of an existing building, or the acquisition of an existing building that will also be rehabilitated. A formula is used to calculate the amount of credits that an owner can claim throughout the 10-year Credit Period. The credit amount is calculated for each low-income building in a project. The annual tax credit calculation involves three key components to include Eligible Basis, Applicable Fraction, and Qualified Basis.

ELIGIBLE BASIS

To calculate potential tax credits that can be claimed on a building, owners first need to determine *how much was spent on a building*, including the costs of construction, acquisition and/or rehab. This dollar amount is called the *eligible basis*.

New Buildings - General construction costs

Existing Buildings - Cost of acquisition plus rehabilitation expenditures.

Costs Included

Engineer Reports and Fees

Developer and Contractor Fees

Cost of Amenities-Appliances

Construction Costs (units and common areas)

Costs Excluded

Federal Grants

Land

Soft Costs

Interest on Permanent Loans

Insurance

Property Tax Expenses

APPLICABLE FRACTION

The Applicable Fraction (AF) is expressed as a percentage, and reflects the portion of the building's resident low-income units or floor space that qualify for credits. The Applicable Fraction is the percentage of a building that is treated as low-income use and generally eligible for LIHTC. The applicable fraction is the lesser of the unit fraction or the floor space fraction, and is a building rule. More simply put, it's the portion of a building occupied by LIHTC qualified tenants.

Applicable Fraction is the *lesser* of:

Total Tax Credit Units divided by all Residential Units

$$\frac{\text{Total Tax Credit Units}}{\text{All Units}}$$

OR

Total Tax Credit Square Feet Divided by all Residential Square Feet

$$\frac{\text{Total Tax Credit Sq. Ft}}{\text{All Sq. Ft.}}$$

Both calculations are done on a building-by-building basis. A building's applicable fraction, representing that portion of the building occupied by qualified families, determines how much of it can produce an LIHTC credit. Common space is excluded from the AF. The AF may fluctuate from year to year, but it cannot go below the AF set on the last day of the first year of the compliance period.

If you are not meeting the AF that the owner requires, tax credits will be lost.

AF as a Percentage	Include in Fraction	Exclude from Fraction
▪ Convert fraction into a decimal (5/9 = .55555) ▪ Carry out to 4 decimal points and make sure to round up the last number ▪ .55555 becomes .5556 ▪ Move the decimal two places to the right (55.56%)	▪ All residential units ▪ Model units (even if never occupied) → Can be included in Eligible Basis (included in denominator) → Model units never considered a LIHTC unit unless rented to a low-income tenant (excluded from numerator unless rented to low-income tenant)	▪ Common areas ▪ Exempt Employee Unit → Must be occupied by a full-time employee such as a manager, security or maintenance staff → Commonly referred to as "Manager Unit" → Can be included in Eligible Basis *Reference: 8823 Guide 8-6, IRS Rev. Rul. 92-61 and 04-82 & IRS Newsletter #14*

Applicable Fraction: **Unit Formula Example**

A building has 10 units. All units are 1,000 sq. ft.

Five are tax credit units.

Unit Formula: 5 tax credit units / 10 total units = .5000 or 50% AF

Applicable Fraction: **Square Footage Formula Example**

A building has 10 units. Five units are one-bedroom at 500 sq. ft. each. The other five units are two-bedrooms at 1,300 sq. ft. each.

Four one-bedroom units are tax credit units. One two-bedroom unit is a tax credit unit.

Square Footage Formula: 3,300 sq.ft. (tax credit units) / 9,000 sq. ft. (all units) = .3667 or 36.67% AF

Key AF Points

⟶ Determined based on number of low-income units in compliance as of the last day of the owner's tax year

⟶ The AF that is reached at the end of the first year of the credit period MUST be maintained throughout the 15 year compliance period

QUALIFIED BASIS

Qualified Basis is the portion of the building costs that went to the tax credit part of the building. It is determined by multiplying the percentage of the building that is tax credit (the applicable fraction by the eligible basis). This results in the qualified basis.

The annual tax credit amount is the amount of credits that an owner can claim each year for years 2 through 10 of the credit period.

Eligible Basis x Applicable Fraction = Qualified Basis

Form **8609** (Rev. May 2018) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I **Allocation of Credit**

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)

B Name and address of **housing credit agency**

C Name, address, and TIN of **building owner** receiving allocation

D Employer identification number of agency

E Building identification number (BIN)

TIN ▶

1a	Date of allocation ▶ .... **b** Maximum housing credit dollar amount allowable	1b	
2	Maximum applicable credit percentage allowable (see instructions)	2	%
3a	Maximum qualified basis	3a	
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 ___ ___%
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	%
5	Date building placed in service ▶		

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized **b** ☐ Newly constructed and **not** federally subsidized **c** ☐ Existing building

d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized **e** ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized

f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Signature of authorized official ▶ Name (please type or print) ▶ Date

Part II **First-Year Certification—**Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	
8a	Original qualified basis of the building at close of first year of credit period	8a	
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☐ Yes	☐ No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes	☐ No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶	☐ Yes	☐ No

10 Check the appropriate box for each election.

Caution: Once made, the following elections are irrevocable.

a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ ☐ Yes ☐ No

b Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) ▶ ☐ Yes

c Elect minimum set-aside requirement (section 42(g)) (see instructions):

☐ 20-50 ☐ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) ☐ 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ Taxpayer identification number ▶ Date

▶ Name (please type or print) ▶ First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form **8609** (Rev. 05-2018)

Best Practice Tip: Be sure to have a copy of the IRS 8609 at the project to adequately monitor compliance.

Form IRS 8609

- Key credit allocation form
- Qualified and placed in service date is indicated on this form as well as key elections that owner makes (i.e. minimum set-aside, multi-building)

Placing in Service

NEW CONSTRUCTION

A building is placed in service when a building is ready for its intended purpose.

With **new construction**, this is generally the date when the first unit in a building can legally be occupied. This is supported by a certificate of occupancy.
§ 42 (e)(3)(A) & IRS Notice 88-116

ACQUISITION

For buildings that are **purchased/acquired with households living in-place**, the building is ready for its intended purpose upon acquisition. The date of acquisition by purchase is the placed in-service date for the tax credits. This is the date the deed for the building is transferred to the new owner.
8823 Guide 4-24, footnote # 39

REHAB

The rehabilitation placed in service date does not directly relate to occupancy. It is an expenditure test to determine what year credits can be claimed. Rehab credits can be placed in service at the close of any 2-year period over which the rehab expenditures are made. At least the greater of 20% of the adjusted basis of the project, or $6,700 per unit, must be spent.

States often dictate a higher minimum, so make sure you know the minimum for each state.

The eligible basis of a new building is its adjusted basis as of the close of the 1st taxable year of the credit period.

Placing in Service Deadline

- A building is allocated credits on July 6, 2017
- Owner receives a Carryover Allocation
- Owner has until the end of the second calendar after the year of the allocation to place-in service (12/31/19)

DEADLINES RESERVATION AND ALLOCATION

With a successful application to a state's Housing Finance Agency (HFA) for credits for a building, the HFA will issue a reservation of credits. This holds a portion of the credits that is allowed to a state in reserve for the owners anticipating successful construction and occupancy of the project.

- If the building can be placed in service the year of allocation, IRS Form 8609 is issued by the state HFA and becomes the official allocation document.
- But in most cases, credits are 'carried over' in a carryover allocation. Carryover documents must be executed by December 31 of the year of allocation.

CARRYOVER DEADLINES

To continue to qualify for the carryover allocation, 10% of Expected Basis must be incurred within one year of the date that the HFA issues allocation documents.

- Expected Basis is the basis of the land and depreciable building expected at the time the building is placed in service.
- The building must be placed in service by December 31 of the second year after carryover.

KNOWLEDGE CHECK MODULE

1. ***What is the Applicable Fraction for Terrace Towers?***

   Terrace Towers is a 30-unit project.
   All units are the same size.
   - → 20 of the units are tax credit units
   - → 1 of the units is a model unit
   - → 1 of the units is a manager unit

   A. 96.67%

   B. 68.97%

   C. 75.45%

2. ***What is the Applicable Fraction for Omega Lofts?***

   Omega Lofts is a 20-unit project.
   - → 10 are 500 sq. ft. (1 bedroom)
     - Five 1 bedroom units are tax credit
   - → 10 units are 1000 sq.ft. (2 bedrooms)
     - Six 2 bedroom units are tax credit

   A. 67.55%

   B. 56.67%

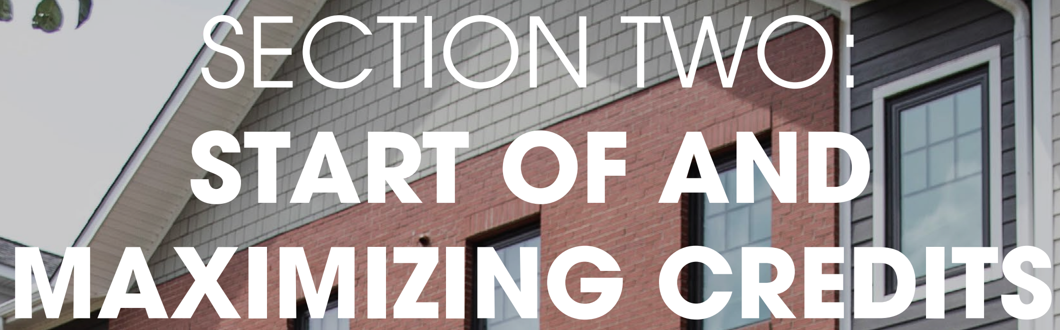
   C. 55.00%

3. ***The acquisition placed in service date is:***

   A. The date the deed transfers to the new owner.

   B. A date the owner selects after the deed transfers.

   C. A date selected by the owner, after the greater of:
   - $6,700/unit expenditure test has been met, or
   - 20% of the adjusted basis has been spent



SECTION TWO: START OF AND MAXIMIZING CREDITS

Qualified Basis X Applicable Credit % = Annual Credit

A building has an Eligible Basis of $3,000,000 and an AF of 65%.
→ **$3,000,000 X 65% = $1,950,000**
→ **Qualified Basis is $1,950,000**

Annual Credit Percentage is 9%
$1,950,000 X 9% = $175,500
(potential annual credits)

CREDIT STREAMS

There are two streams of credits—acquisition credits are available for the purchase of existing housing. These acquisition credits are also known as the 4% or the 30% credit.

Rehabilitation credits are available for the rehabilitation of existing housing and are known as the 9% or 70% credit.

EARNING CREDITS

For properties that have both acquisition and rehab credits, those credits are always earned simultaneously. Section 42(e)(4)(b) of the Code says the applicable fraction for the rehab shall be the applicable fraction for the existing building. The "existing" building means the building that is being acquired.

Section 42(f)(5)(A) says the credit period for an existing building shall not begin before the FIRST taxable year of the credit period for rehab expenditures.

In other words, no credits will be earned—acquisition or rehab—until the year the rehab is placed in service.

Once the rehab is placed in service the credits can be rolled back to the later of when the tenant was certified. If the tenant was certified prior to the tax year the rehab was placed in service, credits can be claimed beginning of the first month of the tax year. See the examples below.

The first year applicable fraction is a prorated fraction based on the status of the unit on the last day of each month. Section 42(f)(2)(A) requires the unit to have been placed in service a full month before any credits can be claimed. Therefore, the acquisition must have been placed in service a full month before any credits can be claimed.

This ends up meaning that credits can be earned starting with the earliest date the unit is qualified within the SAME tax year the rehab is placed in service -up to the full month following the acquisition placed in service date.

DEFERRING CREDITS

There may be some instances in which an owner chooses not to claim credits in the same year the rehab is placed in service. Section 42(f)(1) allows owners to choose to claim credits the same year the rehab is placed in service or to defer credits to the year AFTER the rehab is placed in service.

In general, owners want to claim credits as soon as possible and don't want to defer credits to the year after the rehab is placed in service. However, there are a couple of reasons owners might choose to defer credits:

1. Minimum set-aside has not been met. If minimum set-aside has not been met, no credits can be claimed—unless the owner is able to set some buildings in the development as a separate project. See multiple building election discussion on page 22.
2. The building hasn't been fully qualified. For a unit to be qualified, it must be placed in service for the rehab and occupied by a household that has been certified as LIHTC-eligible. When credits are claimed on buildings that haven't been fully qualified—in other words all of the intended tax credit units haven't yet been occupied by qualifying households—the units that have not yet been qualified will earn credits at a rate of 2/3rds of the credit over 15 years. Many investors do not like earning credits at the 2/3rds rate instead of earning the full credit over 10 years and may prefer to defer credits instead.

CLAIMING CREDITS TIMING EXAMPLE

Acquisition & Rehab PIS in **SAME YEAR**:

Acquisition PISD = 6/10/20

Rehab PISD = 12/30/20

Tenant certified as of 6/10/20

Credits can be taken beginning 7/1/20

CLAIMING CREDITS TIMING EXAMPLE

Acquisition & Rehab PIS in **DIFFERENT YEARS**:

Acquisition PISD = 6/10/20

Rehab PISD = 8/1/21

Tenant certified as of 6/10/20

Credits can be taken beginning 1/1/21

UNIT QUALIFICATION

One common misconception is that the unit won't earn any credit until the month the rehab is placed in service. As long as the rehab will be placed in service during the year, units occupied by a qualified household CAN earn a credit. Of course, credits can never be claimed on units that are not habitable—so there is never any credit earned in months that units are taken out of service to facilitate the rehabilitation.

After a unit is taken out of service, it must be qualified again before the end of the tax year in order to earn credits.

In order to earn credit in any year, a unit must be qualified as of the last day of the tax year. If a unit was taken out of service for the rehab and not re-qualified, it would still be out of service on the last day of the year and no credits would be earned. In order to earn credits on this unit, the rehab has to be placed in service and the unit has to be qualified before year end.

If the unit is placed in service for the rehab and qualified by year end, the unit will also be eligible to claim credit for previous months in the year when the unit was habitable and occupied by a certified household.

Other than the tenant income certification form and the documentation to support the rehab placed in service date, the IRS does not provide any guidance on the records needed to prove when units were out of service. However, if the partnership/ownership was selected for an audit, the owner would need enough documentation to be able to justify the credits claimed.

In order to facilitate the rehab, tenants are frequently transferred into temporary units during the rehab. When tenants are transferred between units, the units swap status. If a tenant is qualified in a unit, then temporarily transferred to a unit that has never been qualified, the units will swap status. If the tenant is then transferred back to the original unit, the units swap status again. So, the temporary unit would revert back to a "never been qualified" status.

However, if this temporary unit is placed in service for the rehab and permanently occupied by a certified household by the end of the year, then credits can be claimed for the months the temporary household occupied the unit. See the example on the next page.

EARNING CREDITS BEFORE AND AFTER REHAB

Unit Re-Qualified After Rehab

Jan - Mar	April - July	August - Sept	Oct - Dec
Occupied by qualified tenant	Unit taken out of service for rehab	Rehab completed but unit unoccupied	Occupied by qualified tenant
3 months credit	No credit	No credit	3 months credit

Unit Not Re-Qualified After Rehab

Jan - Mar	April - July	August - Sept	Oct - Dec
Occupied by qualified tenant	Unit taken out of service for rehab	Rehab completed but unit unoccupied	Unoccupied
No credit	No credit	No credit	No credit

KNOWLEDGE CHECK MODULE

1. ***Answer based on the following example.***

   Hilltop Towers
   - Acquisition PISD = 3/12/2020
   - Rehab PISD = 10/17/2021

If a tenant was certified as of 3/12/2020, what is the earliest date credits can be claimed? *(Assume the tenant stays on-site and the unit is never taken out of service.)*

A. 3/12/2020

B. 10/17/2021

C. 1/1/2021

2. ***After a unit is taken out of service to facilitate the rehab, it needs to be qualified by the end of the tax year in order to produce a credit for that year.***

   - True
   - False

3. ***First year applicable fraction will be prorated on a monthly basis based on status of unit on the first day of the month.***

   - True
   - False

SECTION THREE: **BEST PRACTICES**

ONGOING COMMUNICATION IS KEY

Acquisition/rehab projects are complicated endeavors. Construction delays are not unusual even in new construction. On an acquisition/rehab property, the physical rehabilitation is being completed on an existing structure that may have hidden issues, which may also contribute to delays. This physical rehab is also being done in a space that is most likely already occupied, so not only does the construction need to take place, but the work is being done around people and their possessions. Most importantly, the residents living at the site will be anxious to see things return to normal and need to be kept informed of what's going on.

BUILD A DETAILED CERTIFICATION PLAN

To have a successful acquisition/rehab property, the developer, construction team, and management team need to work together to build a detailed plan. Everyone on the team needs to understand the commitments made to the HFA as well as the credit delivery commitments contained in the Limited Partnership Agreement. This plan needs to consider many factors in order to meet the commitments.

To be successful, detailed plans need to be put together of where residents will be while the rehab is being accomplished. Will residents stay on-site? Will they be transferred between units on-site – or will they go off-site? How long will they be relocated? Will any residents need to be permanently relocated? The answers to these questions impact credit delivery, but they can also impact construction timing. The plan needs to minimize construction time while still meeting credit delivery expectations.

The plan also needs to anticipate when units will be placed in service for the rehab, how and when minimum set-aside will be met, and whether the multiple-building election will be used.

MEETING MINIMUM SET-ASIDE

An important factor to include in the plan is how and when minimum set-aside will be met. Remember that no credits can be claimed if minimum set-aside—20% at 50%, or 40% at 60%, or the new Average Income set-aside—hasn't been met at the end of the tax year.

If the minimum set-aside won't be met on the entire property at the end of the year, the owner may need to split the property into more than one project in order to meet the minimum set-aside and be able to claim credits.

Meeting Minimum Set-Aside Example

Project contains 100 units in 6 buildings
Minimum set-aside @ 40/60 = 40 units.

At the end of the first year:

- → Two 16- unit buildings have been placed in service for the rehab
- → All 32 units have been qualified

NO CREDITS! MINIMUM SET-ASIDE HAS NOT BEEN MET

Credits could be claimed if these two buildings are defined as a separate project from the other buildings in the property on the 8609s.

MULTIPLE BUILDING ELECTION

When the developer submitted the application to the HFA for tax credits, the application was for a "project" –for buildings all on the same tract of land, all owned by the same owner, all financed together, all with construction that is more or less the same. Logically this collection of buildings appears to be one PROJECT.

However, the default position for the IRS is that each building is its own project unless the owner elects on the 8609s to group buildings together into a multiple building project.

The owner could choose:

- EACH building as a separate project, OR
- ALL buildings as ONE project, OR
- Buildings grouped together to form various projects

When the 8609s are completed, the owner must answer question 8b – are you treating this building as part of a multiple building project for purposes of Section 42?

Signature of authorized official | Name (please type or print) | Date

Part II **First-Year Certification—**Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	
8a	Original qualified basis of the building at close of first year of credit period	8a	
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☐ Yes	☐ No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes	☐ No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶	☐ Yes	☐ No
10	Check the appropriate box for each election. **Caution:** Once made, the following elections are irrevocable.		
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	☐ Yes	☐ No

If the owner chooses to say "YES", the building will be part of a multiple building project, the owner must also attach a listing of all of the building addresses to be included in the multiple building project.

If the owner selects "NO", then this building will be its own project.

For long-term compliance purposes, it's always easier if all of the buildings are included in one multiple building project. However, owners frequently use the multiple building election to be able to meet minimum set-aside and claim credits in the first year of the credit period.

Multiple Building Example

Project contains 10 buildings:

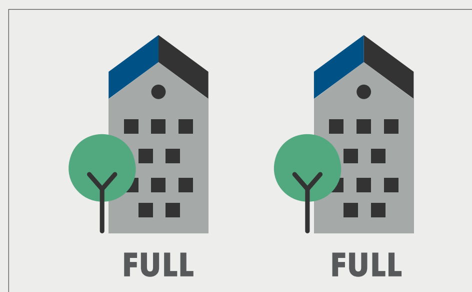
→ **Each with 10 units.**

→ **Two buildings PIS by end of year.**

Minimum set-aside = 40/60

- Have fully leased two buildings for a total of 20 units.
  → Have not met minimum set-aside.

If these two buildings are set as a separate project, can meet minimum set-aside and claim credits.



In this example, the "project" contains 10 buildings, each with 10 units – 100 units total. The project has been under rehab this year and two of the buildings just completed the rehab. The owner has decided to place these 2 buildings in service in this year. The rest of the buildings won't be placed in service until the following year—therefore no credits can be claimed on the other buildings until the following year. The 2 buildings which have been placed in service for the rehab are fully qualified, which means 20 units have been qualified.

The owner is going to select the 40/60 minimum set-aside, which would mean 40 units must be qualified at 60% Area Median Income (AMI) in order to the meet minimum set-aside and begin claiming credits.

With only 20 units PIS for the rehab and qualified, the minimum set-aside hasn't been meet across the whole project. However, the owner could elect to make these 2 buildings a separate project. If these 2 buildings are a separate project consisting of 20 units, minimum set-aside for this project would be 8 units. With 20 units qualified, minimum set-aside has clearly been met and credits can be claimed on these two buildings.

Compliance Rules Affected By the Multiple Building Election

The multiple building election can be helpful for credit delivery and meeting the commitments contained in the partnership agreement. However, there are several compliance rules that can be affected by the multiple building election that will need to complied with for the next 15 years:

- Minimum set-aside
- Transfers
- HFA Inspections
- Annual Recertification Exemption
- Income Limits
- Unit Vacancy Rule

This manual will only focus on the first three.

Multiple Building Election Effect on Minimum Set-Aside

If each individual building is a project, each building must meet minimum set-aside at all times.

If buildings are grouped together into ONE project, then minimum set-aside would apply to the total units overall.

In the previous example on page 23, if the property is **ONE** project with 100 units and a 40/60 minimum set-aside, credits can't be claimed if the minimum set-aside hasn't been met by the end of the first year. Also, in future years the minimum set-aside must be maintained at all times. If fewer than 40 units are in compliance, no credits can be claimed until the year the minimum set-aside is restored.

On the other hand, if each of the 10-unit buildings is its own project, every building must have 4 units that qualify. It might be easier to fall below the minimum set-aside in this situation. For example, if an error was made with the utility allowance and all of the two-bedrooms ended up being over-rent. Or if two buildings have 8 two-bedroom units, then these 2 buildings will have fallen below minimum set-aside. No credits can be claimed on these buildings until minimum set-aside is restored.

Multiple Building Election Effect on Transfers

Another effect of the multiple building election is on transfers. Transfers between projects are not permitted. Any move to a new project would be treated as a new move-in. This means the household would need to be certified at the time of the move-in, including obtaining new third-party verifications and meeting all eligibility criteria, including the current income limit, at the time of the move-in. This is a huge part of acquisition rehabilitation projects and will be discussed more in Section 5, Transfers.

Multiple Building Election Effect on State HFA Inspections and Audits

On July 1, 2020, the IRS issued an advance copy of a proposed rule revising the rules governing state HFA inspections. This proposed rule restores the provisions requiring the state HFA to inspect 20% of the units in each project. If each building is a separate project, the state HFA would have to inspect 20% of the units in each project.

Rule	Individual Building is a Project	Multiple Buildings are a Project
Minimum Set-Aside	Each building must meet and maintain the minimum set-aside	Minimum set-aside must be met and maintained on total # of units in project
Transfers	No "transfers" permitted between buildings. Households must move-out/ move-in and must qualify as low-income at the time of the move. A new certification is required.	Transfers can be made to different buildings within the project (except households whose income has increased above 140% of the income limit – they cannot transfer between buildings).
State HFA Inspections/ Audits	Housing Finance Agency must inspect and audit 20% of units in each project	Housing Finance Agency must inspect and audit 20% of units in the project
Example Project	Ten 10-unit projects – two units in each project.	100-unit project - 20

IMPLICATIONS OF THE MULTIPLE BUILDING ELECTION

Early on in our compliance careers, we all learned that some LIHTC compliance rules were applied to units within a building (e.g. Available Unit Rule), while some rules applied to the project (e.g. Minimum Set-Aside, Unit Vacancy rule). However, the definition of a "project" was frequently either overlooked in our compliance education, or, at best, left to be covered in an advanced training class. But a thorough understanding of how a project can be defined is essential to determining the optimal set-up for a project and for maintaining compliance over the years.

In general, each building (as identified by the building identification number assigned) is its own project. However, when an owner completes the first IRS Form 8609 for the building, line 8b on the 8609 allows the owner to choose to group buildings together to form a "project". The owner could choose to set up each building as its own project, all buildings as one project, or buildings could be grouped together to form more than one project. In order to group buildings together to form a project, the owner elects to treat the project as a multiple building project on line 8b of the 8609 and attaches a statement to the 8609 identifying the name and address of the project and each building to be included in the project. (See the instructions to Form 8609 for the complete requirements.) If the owner elects to treat the project as a multiple building project, but fails to attach the required statement, the IRS will treat each building as its own project. Also, for buildings to be included in a multiple building project, the buildings must be located on the same tract of land, unless all of the units to be included are low-income units. The buildings to be included must also be owned by the same person, financed under a common plan, and have similarly constructed units.

If the owner chooses to include the building as part of a multiple building project, rules applied at the project level are applied to all buildings in the aggregate (all the buildings identified as being in the project constitute ONE project). For example, the Minimum Set-Aside would be based on the total number of units in all buildings included in the project. On the other hand, if the owner chooses not to include multiple buildings in the project, each building must meet the Minimum Set-Aside. Rules that are applied at the building level still get applied by building. (e.g., the Available Unit Rule must be applied within each building.) Tax credit program requirements affected by the multiple building election include:

- Minimum Set-Aside – must be met on the total number of units in the project
- Unit Vacancy Rule – reasonable attempts to fill vacant tax credit units must be made before leasing any comparable or smaller market rate units in the same project
- Income Limits – applied based on the first building in the project to be placed in service
- Unit Transfers – transfers can be made to different buildings within the project (except households whose income has increased above 140% of the income limit cannot transfer between buildings)
- Annual Recertification Exemption – if all buildings within the project are 100% LIHTC, annual recertifications are not required
- Inspections and Audits – the Housing Finance Agency must inspect and audit 20% of the units in the project

Why Choose to Include a Building in a Multiple Building Project?

First Year Credit Delivery – There is always a great deal of pressure to maximize first year credit delivery and using the multiple building election can assist in reaching this goal. If an owner placed ten 10-unit buildings (100 units total) in service in 2020 and selected the 40/60 Minimum Set-Aside, the owner would have to have 40 units qualified by the end of the tax year. However, if leasing is going slowly and only 3 buildings have been fully qualified by the end of the tax year, the owner could choose to make these 3 buildings a project, or each of these buildings a project, or could group these buildings with other buildings in some other fashion that allowed the Minimum Set-Aside to be met.

Cushion Against Minimum Set-Aside Violations – In a mixed income development, there could be some buildings with low applicable fractions that might not meet the Minimum Set-Aside on their own. Or, the applicable fraction might be low enough that non-compliance in just one unit might mean the Minimum Set-Aside is no longer met. If these buildings are grouped with other buildings with higher applicable fractions, the project can then meet and maintain the Minimum Set-Aside more easily.

Transfers in Acquisition/Rehab Properties –The multiple building election could be part of the strategy in completing the initial certifications and transferring households. Buildings that are set up as part of a multiple building project could allow transfers between buildings without the need to certify households again. This could be especially helpful if tenants are being relocated within the project during the rehabilitation. Or, if buildings are set up as part of different projects, "transfers" would be treated as a move-out and move-in and households would have to complete a new certification to move to a new building.

Annual Recertification Exemption – Within a mixed income development, there could be some buildings that are 100% low income. If these buildings were selected to be a project, annual recertifications would not be required for units in these buildings. (Good luck explaining to residents in the mixed income buildings why they have to recertify!)

Income Limits –If some buildings are placed in service before the income limits are issued for the year, and some buildings are placed in service after the income limits are issued and the income limits decrease in that year, if the buildings are set up as individual projects, they will have different income limits. If the owner chooses to make these buildings one project, the income limit will be based on the first building's placed in service date.

Ease of Applying Compliance Rules – Setting up all buildings in a development to be one project can make applying various aspects of compliance easier. The entire development can have one set of income limits. Transfers can be permitted to take place between all buildings within the project. The state housing finance agency is only required to conduct inspections and audits on 20% of the total number of units in the project. The management agent and owner only have to worry about tracking one Minimum Set-Aside. And while the Unit Vacancy Rule would apply to all units in the project, at least the owner and manager only have to worry about tracking the rule for one project. If this is a mixed-income development, annual recertifications are required for all low-income units, but at least it's a consistent rule throughout the development.

Pitfalls of the Multiple Building Election

The greatest challenge of the multiple building election is making sure that all of the key parties in a tax credit deal understand the implications of the election—and know which option is being/has been selected. The owner needs to decide which buildings will or will not be included in a multiple building project before households are initially qualified and the strategy needs to be communicated to and clearly understood by the management agent. The owner's CPA (or whoever will be completing the 8609s) must know the strategy selected by the owner and, since the 8609s are almost always completed after the first year, confirm that the property was actually leased up in accordance with the strategy selected by the owner. Once the 8609s are filed, any time the management agent changes, the strategy should be communicated to the new agent to ensure they understand how the project has been defined.

As with most compliance rules, its best to check with your state housing finance agency for their interpretation of the effects of the multiple building election before implementing any changes in the application of these rules to your projects.

RESIDENTS OFF-SITE TEMPORARILY

Another factor to consider in planning the certification process is whether residents will be off-site temporarily and how long they will be off-site. Owners are required to pay moving expenses for the relocation and the tenant cannot pay more than the LIHTC rent while they are at the temporary location. Examples of off-site locations include, hotels, or another projects.

Keep in mind that no credits are earned while residents are off-site.

OHFA considers certifications still good as long as the household isn't offsite for more than six months.

If residents will be offsite more than six months, the residents will need to be certified again, with new third-party verifications, as they return to the property. Depending on when these residents will be offsite, it may be best to simply certify them as they return to the property.

On the other hand, if the household wasn't going to be on the property at all in the early part of the year, for example if they were already temporarily offsite in January and wouldn't be returning to the property until July or later, then the household would need to be certified as they return to the property.

OFF-SITE TEMPORARY RELOCATION: EXAMPLE #1

Adams household is certified January 1, 2019.

- Household moves off-site in March
- Household is off-site for seven months – thru September.
- Must conduct a full income certification

Credits can be claimed for months of January-February and October –December.

OFF-SITE TEMPORARY RELOCATION: EXAMPLE #2

Arnold household is certified in unit 10 (an un-rehabbed unit) on May 1, 2019.

- Household is temporarily relocated offsite during June, July and August.
- Household returns to the rehabbed unit on September 1, 2019.
- No need to conduct a full income certification.

Credits can be claimed for months of May and September – December.

PLANNING FOR SUCCESS

It's imperative to have a plan for:

- How and when credits will be delivered.
- Where tenants will be during the rehab.
- How the minimum set-aside will be achieved.
- Whether the multiple building election will be utilized.

In addition to having this plan, ongoing communication is also key. It's likely that there will be unforeseencircumstances that come up during the rehabilitation. Sharing knowledge of any changes or delays will enable all of the members of the team to better plan for tweaks that need to be made to get the plan back on track. Don't forget to communicate with residents too! Residents are most directly impacted by changes that are affecting their living spaces and they need to be kept informed.

KNOWLEDGE CHECK MODULE

1. ***Credits can be claimed even if the minimum set aside is not met by the end of the tax year.***
   - ❍ True
   - ❍ False

2. ***Which compliance rules are affected by the multiple building election?***
   - A. Income Limits
   - B. HFA Inspections
   - C. Minimum Set-Aside
   - D. All the above

3. ***Residents temporarily relocated offsite for more than six months will need to be certified again when they return to the property.***
   - ❍ True
   - ❍ False

SECTION FOUR: CERTIFYING RESIDENTS

The Guide for Completing Form 8823 outlines an option to certify tenants who are living on-site as of the acquisition placed in service date. These tenants can be certified up to 120 days prior to the acquisition placed in service date or up to 120 days after the acquisition placed in service date. In both cases the "move-in" date and "certification" date on the Tenant Income Certification (TIC) would reflect the acquisition placed in service date. This timing for certifying tenants is an option; it is not a requirement.

If a TIC for an existing household is not completed and signed within 120 days after the acquisition PISD, then the TIC will simply be made effective on the date the last family member signs the TIC.

Households that move in after the acquisition placed in service date are certified as of their move-in date.

Certifying tenants as of the acquisition PISD has a couple of advantages but it may also have some disadvantages. Certifying as of the acquisition PISD protects residents from subsequent increases to income. Once the household is certified as income-eligible, a subsequent increase to income may trigger the Next Available Unit rule; however, it will not disqualify the household. Certifying residents as of the acquisition may also help to maximize the tax credits that can be earned.

On the other hand, if tenants are certified in one tax year but credits aren't claimed until the subsequent tax year, a Safe Harbor Test may be recommended. If the property will be acquired in one tax year, but the rehab won't be placed in service until the next year, then credits cannot be claimed until the year the rehab is placed in service. The Safe Harbor Test may be recommended for tenants who were certified as of the acquisition.

PROS AND CONS OF CERTIFYING AS OF ACQUISITION PISD	
Pros	**Cons**
Protects residents from subsequent increases to income	May require a Safe Harbor Test if credits aren't claimed in same year tenant is certified.
May help maximize credit delivery	

CERTIFICATION/VERIFICATION TIMING

Although the Guide for Completing Form 8823 allows tenants to be certified within a 240-day window – up to 120 days before the acquisition PISD or up to 120 days after the acquisition PISD, the verifications still need to be dated within 120 days of the signature date on the TIC.

DATING AND SIGNING A TIC: EXAMPLE #1

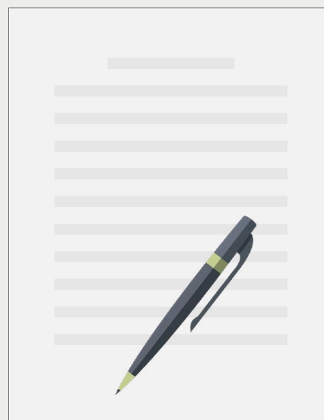
If the acquisition placed in service date is 11/19/19...

...all TICs must be completed no later than 3/17/20.

Once the acquisition placed in service date is known, there is a deadline of 120 days to complete TICs on residents.

DATING AND SIGNING A TIC: EXAMPLE #2

If the earliest verification was dated 10/15/19...



...then the goal would be to sign this specific TIC no later than 2/12/20.

Verifications must be dated within 120 days of the signature date.

TICs Completed More than 120 Days After Acquisition Placed in Service Date

If the TIC is NOT able to be completed and signed within 120 days after the acquisition placed in service date, then the TIC becomes effective on the day the last household member signs the TIC. The "move-in" date and "certification" date would be the same as the signature date. The income limits in effect on that date would be used.

Households that move in after the acquisition placed in service date are certified as they move into the unit.

TIMING: EXAMPLE #1

Acquisition and Rehab PISD in SAME YEAR.

Acquisition PISD = 6/10/19

Rehab PISD = 12/30/19

→ Tenant signs TIC 8/5/19

→ Move-in and certification date on TIC = 6/10/19

Credits can be taken beginning 7/1/19.

TIMING: EXAMPLE #2

Acquisition and Rehab PISD in DIFFERENT YEARS.

Acquisition PISD = 6/10/19

Rehab PISD = 8/1/20

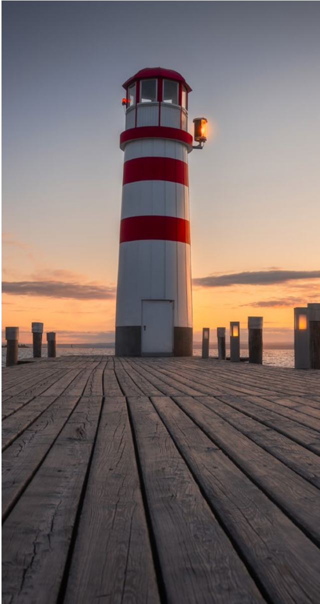
→ Tenant signed TIC 8/5/19

→ Move-in and certification date on TIC = 6/10/19

Credits can be taken beginning 1/1/20.

Best Practice Certification Plan

Knowing how and when credits can be earned and taking into consideration whether tenants will be off-site temporarily allows a plan to be formulated that will certify tenants so as to maximize credits and potentially minimize the amount of work management needs to do.

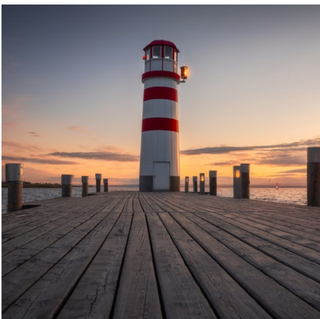


SAFE HARBOR: EXAMPLE #1

- → Acquisition PISD = 6/10/19
- → Residents are certified and TICs are made effective 6/10/19.
- → Rehab PISD = 8/1/2020

Credits begin in 2020, but residents were certified in 2019.

This is an example of when the safe harbor test might be recommended. Remember that the Safe Harbor is recommended when tenants are certified in one tax year, but credits won't be claimed until the next tax year—such as when tenants are certified as of the acquisition placed in service date, but the rehab isn't placed in service until the next tax year.

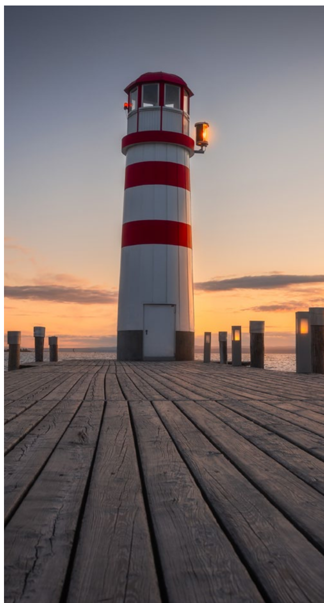


TIMING: EXAMPLE #2

Acquisition and Rehab PIS in DIFFERENT YEARS.

"Safe Harbor" required to be completed by 1/1/20 for any TICs completed before 9/3/19.

The tenant was certified within 120 days of the acquisition and the "move-in" date and "certification date" were as of the acquisition on 6/10/19. However, since the rehab wasn't placed in service until the next year – 2020– credits cannot be claimed until 1/1/20.



SAFE HARBOR: EXAMPLE #3

- → Confirm with household that sources/amounts of income on TIC are still current
- → Additional income is added to the existing TIC
- → If the household is over 140% of the current income limit, follow the Next Available Unit Rule

Credits begin in 2020, but residents were certified in 2019.

In this case, the Safe Harbor Test would be recommended for any TICs that were completed before 9/3/19 – in other words, completed 120 days before January 1.

Safe Harbor – Revenue Procedure 2003-82

IRS Revenue Procedure 2003-82 indicates that if residents are certified in one year at an acquisition/rehab, but the credits won't be claimed until the next year, the owner should complete a safe harbor test to ensure resident incomes didn't increase beyond 140% of the current income limit.

The resident's income must be tested again within 120 days prior to the next tax year to ensure the household didn't go over 140% of the income limit. If the household income increased beyond 140% of the income limit, then the next available unit rule must be followed.

The Revenue Procedure does not provide a lot of detail on how to conduct this test. Generally, it's recommended that the resident complete a new Sworn Income and Asset Statement (SIAS). Any additional income that is disclosed is verified, and the additional income is added to the amounts already on the TIC. If income has increased above 140% of the current limit, follow the next available unit rule.

Many of the projects going through the acquisition/rehab process have a majority of extremely low-income residents and are intended to be 100% LIHTC projects. Of course, in 100% LIHTC projects new move-ins are always intended to be LIHTC-eligible which means the next available unit rule would be followed automatically. Senior projects with tenants on fixed incomes are also less likely to receive significant increases to income. An owner could make an argument that these situations are pretty low risk for households to exceed 140% of the income limit and could choose not to complete the safe harbor test. An owner needs to determine how much risk they are comfortable with—and discuss that with their investor/syndicator, too.

However, the rule also says the test isn't required if the household was certified within 120 days before the beginning of the tax year. Some owners choose to delay beginning the certification process for existing tenants until the last 120 days before the end of the tax year. This would eliminate the need to complete the Safe Harbor Test, but would still maximize the credits that can be earned in the year the rehab is placed in service.

Rehab Only Projects

While most rehab projects include both the acquisition of an existing project as well as the rehabilitation of this project, some deals only include rehabilitation and do not include the acquisition of an existing property.

Such projects were acquired previously—probably several years prior—and therefore the option to certify residents within 120 days after acquisition will not apply. Tenants in these projects are certified as of the date the TIC is completed and the last household member signs the form.

Non-Qualifying Residents

As the certification process proceeds, it's possible that the owner will discover that some households already in residence do not qualify for LIHTC housing, either because the household income exceeds the LIHTC limits, or because the household doesn't meet the student status requirements. The types of subsidy and funding sources present on the project will determine how these residents are handled. If the owner discovers tenants who will not qualify for the LIHTC program, the owner should first coordinate with the investor/syndicator. If this project is NOT a bond deal, it may be possible that there will be excess basis that would cover the loss of credits associated with these households.

Remember that the amount of credit earned is a function of the eligible basis (the rehabilitation costs) multiplied by the applicable fraction. In general, the HFA will also cap the amount of credits allocated to the project based on the projected costs (and other factors). Excess basis occurs when the construction/rehabilitation expenses exceed the anticipated costs and there are more than enough costs to support claiming all of the credits allocated. If the project has excess basis, the project may be able to include a few ineligible tenants and yet produce the full amount of credit allocated to the property.

Eligible Basis vs. Excess Basis

Eligible Basis	x	Applicable Fraction	=	Qualified Basis
$10,813,027	x	1.00	=	$10,813,027

Housing Finance Agency Credit Allocation for this project	=	$950,000

Qualified Basis	x	Credit Percentage	=	Annual Credit
$10,813,027	x	.09	=	$973,172

Eligible Basis	x	Applicable Fraction	=	Qualified Basis
$10,813,027	x	.9800	=	$10,596,766

Qualified Basis	x	Credit Percentage	=	Annual Credit
$10,596,766	x	.09	=	$953,709

Owner can still claim all credits allocated with an applicable fraction of 98%

HUD Assistance and Non-Qualifying LIHTC Residents

Tenants who receive Project-Based Section 8 cannot be evicted or have their assistance terminated for anything other than good cause under their HUD lease. Not qualifying for the LIHTC program would NOT constitute a lease violation under the Section 8 program; therefore, these tenants cannot be evicted, nor their lease or assistance terminated simply because they do not qualify for the LIHTC program.

Tenants who do not qualify will not produce a tax credit. Therefore, owners sometimes choose to offer incentives to persuade these tenants to relocate.

Relocation and the Uniform Relocation Act.

If the project is receiving new federal financing as a part of the rehabilitation, then the project will be subject to the requirements of the Uniform Relocation Act (URA). The URA contains very strict rules regarding both temporary and permanent relocation including rules about how long tenants can be out of their apartments temporarily, the quality of the temporary housing, etc. If permanent relocation is required, significant compensation is owed to the tenants. Therefore, most owners will structure their project in order to avoid permanent relocation, especially if the project will be subject to the URA.

Be aware that any federal funding (such as HOME, HUD or RD assistance) will require the project to comply with the URA. Such programs may require relocation payments depending on the funding.

Any permanently relocated tenants will be entitled to significant compensation. Rental Housing Payments (RHP) for HUD projects offer tenants up to 32 months of compensation. Up to 60 months of compensation for HOME funded projects. Compliance with the URA is a topic that is beyond the scope of this manual but please refer to 49 CFR 24 for guidance.

KNOWLEDGE CHECK MODULE

1. ***For existing tenants to have their TICs effective on the acquisition PISD, they can qualify:***

    A. Up to 120 days prior to the acquisition placed in service date.

    B. Up to 120 days after the acquisition date date if the project includes market units.

    C. Any time before the acquisition PISD.

    D. A&B

2. ***The Safe Harbor Test is especially recommended when:***

    A. Certifications were completed more than 120 days before the first day of the tax year credits will first be claimed.

    B. The project includes market units.

    C. All of the above

3. ***Temporary off-site relocation more than five months require a new certification for the household.***

    ❍ True

    ❍ False

SECTION FIVE: ACQUISITION/REHAB TRANSFERS

RESIDENTS RELOCATION ON-SITE TEMPORARY/PERMANENT

It is very common to see tenants relocated to units at the same property. This can be either a temporary relocation where the tenant will return to their original unit or a permanent relocation where the tenant will stay in a new unit. Any temporary or permanent relocations are treated the same for certification purposes. As long as the relocation is within the same project the tenant does not need to recertify. They take their TIC and lease status with them to their new unit. The units essentially swap statuses. These relocations are considered transfers.

ALL ABOUT THE 8B ELECTION

A **transfer** is anytime a household needs to be relocated onsite temporarily or permanently on the same project. Transfers can become very confusing while tenants are being shuffled around during the rehabilitation of the units. Before tenants can transfer to a different unit, please make sure you know your owner's 8b election on form 8609. As mentioned before, whether the 8b election is "YES" or "NO" will give you the parameters for how you can transfer your tenants.

8b No Election

If your tenant resides at a project that the owner has selected "NO" for their 8b election, they are only allowed to transfer to another unit within the same building. If you needed to transfer a tenant to a different building, you would have to treat the relocation as a move-out and a new move-in. This means all of the necessary paperwork will have to be resubmitted for the new move-in. If the household was over 140% of the income limit at the last recertification, they are still allowed to transfer to a different unit within the same building.

Compliance tip:

Many times the owner does not know what their 8b election will be before rehabilitation starts. If the intended 8b election is unknown the very best practice is to treat any relocation as a move-out and a move-in. This means the household will have a new move-in date, new third party verifications and the household, a new TIC must be signed and they must meet the current income limits.

8b "No"	Unable to transfer between buildings, even during the renovation.
	Moving resident to a different building must be treated as a move-out and new move in.
	Transfer within the same building is always OK, even if the household's income is over 140%.

8b Yes Election

If your tenant resides at a project that the owner has selected "YES" for their 8b election, you can transfer this household to any other building that is also a part of this project. This means you do not have to recertify your tenants when they move to a new unit. That existing tenant's paperwork can transfer to the new unit, however, you will need to print or update the TIC to show that the tenant has switched units. In order to transfer between buildings:

- The household cannot be over 140% of the income limit at the time of the last recertification. If the household is over 140% of the income limit, they are unable to transfer to a unit in a different building, even if the building is a part of a multiple building project.

8b "Yes"	Allowed to transfer between buildings within the same project.
	If the household is over 140% of the income limit (mixed income project) ▪ They are unable to transfer between buildings, even if the building is part of a multiple building project.
	If the project is 100% affordable there is no need to consider the over 140% rule.

Please be mindful that the owner does have the option to make some buildings part of a multiple building project (8b yes) while other buildings can be their own project (8b no) on the same property. This is why knowing each building's 8609 election is critical. If the owner has not submitted the 8609s before transfers begin, please make sure you know the owner's intentions for each building.

If you do not know the owner's intentions, you must treat transfers between buildings as move-outs and new move-ins. All of the steps for qualifying a new resident must be taken again. The tenant will have:

- a new move-in date.
- meet all the eligibility requirements, such as student status.
- new third party verifications.
- a new TIC must be signed and dated.
- need to be under the current income limit.

LIGHT SWITCH CONCEPT

While tenants are being transferred during the first year of the credit period, it is very important to understand that one household can only initially qualify a unit for the months they reside in that particular unit. If a household transfers to a new unit during year one, that household cannot initially qualify both units the entire year. They will only qualify each unit for the months they resided in them. We think of this as a light switch concept. The light switch is on only during the months the household resides in a unit.

This is very important during the first year of the credit period because this affects the amount of tax credits an owner can claim. The owner is only able to claim credits for the months a household is residing in a unit.

LIGHT SWITCH CONCEPT EXAMPLE

The Troy household moved into unit 614 in BIN 1 on the first year of the credit period on Feb 12th. This was a new, never occupied LITHC unit. In this case the light switch turned on in unit 614 on Feb 12th.

→ On July 1, the Troy household moved to unit 216 in BIN 2. Unit 216 was also a never occupied LIHTC unit. This household stayed in this unit until the end of the year.

→ Unit 614 was not rented again until November 5th of the same year.

→ In this scenario, unit 614 would qualify as an LIHTC unit for February, March, April, May and June, meaning the LIHTC light switch was on. Once the Troy household transferred to the unit 216 in July, the LIHTC light switch was turned off for unit 614 for July, August, September and October. Once the new residents moved in November, the LIHTC light switch was turned back on for November and December.

Units	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	Total
614	OFF	ON	ON	ON	ON	ON	OFF	OFF	OFF	OFF	ON	ON	7/12
216	OFF	OFF	OFF	OFF	OFF	OFF	ON	ON	ON	ON	ON	ON	6/12

Tracking Units

The above example is a simple scenario of just one tenant in two different units. Dealing with an entire project can be a lot more complicated. This is why tracking units are so important when it comes to transfers for acquisition rehabilitation projects. Having a system in place that keeps track of all of the transfers in each building is necessary. You need to make sure:

To count the correct applicable fraction for each building and make sure you meet the minimum set-aside for the project during the transfer process. This is especially important during year one. Please make sure you are tracking unit status on a month-by-month basis and, like the example above, make sure you know which units are receiving credits in each month.

Acquistion Rehab Lease Up Report

Instructions for Use of Form:

Column A: List each unit in each building ONCE only

Columns C - N: List tenants living in the unit. Begin listing tenants based on the first month their LIHTC certification is effective. As tenants transfer, move their name to the new unit.

Columns C - N: If unit was taken out of service to be rehabbed, highlight the cell in black for each month the unit was out of service

Column N - Each tenant can only be listed ONCE in column N - unless buildings are separate projects on the 8609s

Un-Certified	Use for units that had not yet been certified
Vacant	Use for units that had not yet been occupied by a household with a completed LIHTC Certification AND units not yet occupied after rehab
Certified Vacant	- Use for units where a previously LIHTC-certified household moved out (not transferred) AFTER the unit had been rehabbed
	Use for units that were out of service being rehabbed

Year: 2020

Unit		January	February	March	April	May	June	July	August	September	October	November	December
Building 1													
01100A			Doe	Doe			Baldwin	Baldwin	Baldwin	Baldwin	Baldwin	Baldwin	Baldwin
01100B			Toth	Toth			Hamilton	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton
01100C			Smith	Smith			Campbel	Campbel	Campbel	Campbell	Campbel	Campbell	Campbell
01100D			Chu	Chu				Newton	Newton	Newton	Newton	Newton	Newton
Building 2													
01150A					Doe	Doe	Doe	Doe	Doe	Doe	Doe	Doe	Doe
01150B					Toth	Toth	Toth	Toth	Toth	Toth	Toth	Toth	Toth
01150C					Smith	Smith	Smith	Smith	Smith	Smith	Smith	Smith	Smith
01150D					Chu	Chu	Chu	Chu	Chu	Chu	Chu	Chu	Chu
Building 3													
01200A			Baldwin	Baldwin	Baldwin	Baldwin					Brown	Brown	Brown
01200B									Muhamm	Muhammed	Muhamm	Muhammed	Muhammed
01200C									Jones	Jones	Jones	Jones	Jones
01200D									Alijandro	Alijandro	Alijandro	Alijandro	Alijandro
01200E									Kalus	Kalus	Kalus	Kalus	Kalus
01200F			Hamilton	Hamilton	Hamilton	Hamilton			Bouvier	Bouvier	Bouvier	Bouvier	Bouvier
01200G									Zhie	Zhie	Zhie	Zhie	Zhie
01200H			Campbell	Campbell	Campbell	Campbel			Balck	Balck	Balck	Balck	Balck

Un-Certified

Vacant

Certified Vacant

NEXT AVAILABLE UNIT RULE AND IMPACT ON TRANSFERS

When a household's recertified annual income is over the 140% applicable income limit, the Next Available Unit Rule (or "NAUR"), indicates the next unit of comparable or smaller size must be rented to a qualified household. The NAUR allows the owner to continue claiming credits on the over income unit and for the household to stay if the household goes over the applicable income limit at recertification. It is important to remember the NAUR is a building rule.

IRS states the over-income household can stay so long as:

1. That household was qualified at the time of initial occupancy
2. The next available unit of comparable or smaller size in the same building is rented to a qualified household, until the required Applicable Fraction is restored.
3. The over-income unit remains rent restricted until the Applicable Fraction and the minimum set-aside is restored.

If the Owner fails to follow the NAUR, all over-income units (comparable or smaller) must not be included as LIHTC units when determining the building's Applicable Fraction or the project's minimum set-aside.

- NAUR is not really an issue for 100% LIHTC projects. Owner may not be aware of any OI residents due to the 2008 HERA Rule which says owners no longer have to do annual recertifications on 100% LIHTC projects. And basically with a 100% project, you will always rent the next available unit to a qualified household

In order to not violate the NAUR for mixed-income projects, the owner or property manager must be very careful when transferring households.

NAUR - EXAMPLE #1

20-unit Building: All units are the same size. 10 units are LIHTC, and 10 units are Market Rate resulting in the Applicable Fraction of 50%. The minimum set-aside is 40-60%.

→ → On September 1, it is determined 3 of the LIHTC units (101,102 and 103 are over-income (OI) at recertification. Even though the building has 3 OI units, the units are treated as LIHTC, until a market unit becomes available. For the months of September and October the Applicable Fraction is still 50%.

→ On November 26, a market unit, Unit 111, becomes vacant. The owner must rent Unit 111 to a LIHTC eligible household in order to comply with NAUR.

→ On December 1, the owner occupies Unit 111 with a household that is not LIHTC eligible. Since the owner failed to follow the NAUR during transferring households, all of the OI units are no longer treated as LIHTC units, which drops the Applicable Fraction to 35%, which then is a violation of the minimum set-aside.

OWNER LOSES TAX CREDITS

A Special Case: First-Year Credits

An owner may choose to defer tax credits. Credits can be claimed the year the building is placed in service, or the owner may defer claiming credits to the following year. Credits can only be deferred once and must be claimed no later than the end of the year following the year the building is placed in service. Understanding and knowing if the owner elected to defer credits is critical to understand how transfers work during a crucial time—the first year that credits are claimed for a building or buildings.

TRANSFER CAUSES UNITS TO SWAP STATUS - EXAMPLE #2

- On May 14 of the first year of the credit period, an income-qualified household moved into Unit 102, a new, never occupied LIHTC unit in Building 1
- On October 30, the household moved, and the lease was transferred to Unit 605, a new, never occupied similar LIHTC unit in Building 2. The household continued to occupy Unit 605 until the end of the first credit year
- Unit 102 in Building 1 was not rented again until February of the next year, which is year 2 of the credit period

Only the unit the household actually occupies qualifies as a LIHTC unit

→ Unit 102 in Building 1 would qualify as a LIHTC unit for May, June, July, August and September. The unit would not qualify as a LIHTC unit in October, November or December for purposes of calculating the pro-rated applicable fraction in year 1.

→ Unit 102 will continue to be treated as a never-occupied unit until a qualified household moves in.

Because a qualified household does not occupy Unit 102 until after the first year of the credit period, the owner will not receive the full value of tax credits for this unit.

→ Unit 605 in Building 2 is a qualified LIHTC unit for October, November and December.

KEY TIP
If a project will end up claiming credits over two years, it is important to ensure households are not transferred from a building where credits were claimed to a building where credits have not yet been claimed. If this occurs, then the household is used to qualify 2 units.

VACANT UNIT RULE

If a LIHTC unit becomes vacant during the year, reasonable attempts have to be made to rent that unit or the next available unit of comparable or smaller size to households that have a qualifying income before any units in the project are or will be rented to a household not having a qualifying income.

Vacant units previously occupied by an LIHTC eligible household may continue to be treated as LIHTC units so long as the following is met:

1. Reasonable attempts are made to rent the unit before any market rate units to a qualified household
2. The unit is made suitable for occupancy (i.e. rent ready)

If the Vacant Unit Rule is violated, all vacant units previously occupied by qualified households lose their LIHTC status

IRC Section 42 1.42-15(c)

DEVCO

Tenant Event Types

Here are the seven event types in DevCo and their commonly associated terms. Tenant data events can be entered manually or by using the XML upload feature. It is required to enter all rental activity in DevCo for all of your units that have OHFA funding.

Move-In – Also known as the Initial Certification (IC). When the household first becomes qualified and moves in.

Move-Out – The household moves out of a unit.

Recertification – Recertifying the household's income and student status. Needed annually for any units with HDAP funding or properties with market rate units.

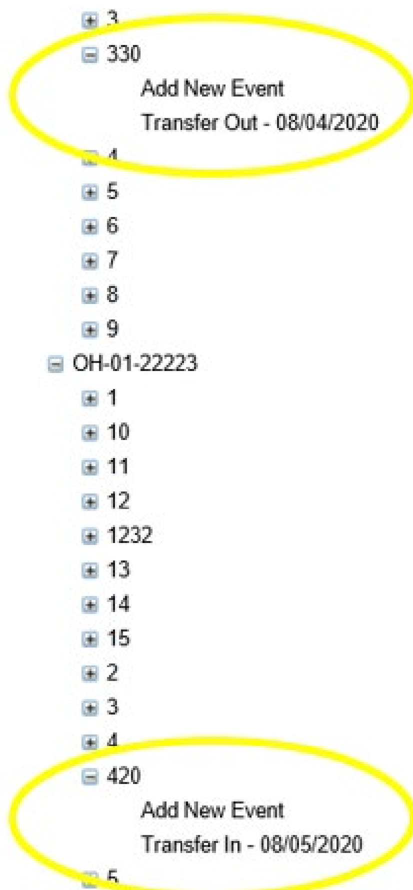
Transfer-Out – Household is transferring to a different unit. The transfer-in event is automatically populated once a transfer-out event is entered in DevCo. The transfer out event date should be one day before the household moves into the new unit in order for the transfer-in date to be correct.

Composition Update – Also known as an Interim Recertification (IR). Needed when adding or removing non-head of household members.

Rent Update – Also known as an IR. Needed when the tenant rent portion has changed.

Student Update – Also known as an IR. This is an annual update confirming or changing the student status of LIHTC units. The event date is the same date that your household completes the student status certification.

OHFA now uses the NAHMA 4.0 standard for the XML schema. You are still able to use the 2.0 standard for uploads but we recommend using the 4.0 for more complete data entries.



Transfer Events

Since transfers are such a huge part of the acquisition/rehabilitation process, making sure you enter the tenant events correctly is important. Anytime you enter a transfer event into DevCo:

- A transfer-in and transfer-out event is created. These dates are a day apart in the system.
- Please make sure you are entering the transfer-out date as the day before the household actually relocates to their new unit
- Ensure you go to the transfer-in event and update any rent, income, or utility allowance information since these do not automatically transfer from the transfer-out event.
- ALL transfer TICs need to be signed by the resident and management company on the same day. Blank TICs are never acceptable.

Transfer Tenant Income Certifications (TICs) Updates

ransfer TICs do not show the actual transfer date. Since the TIC only shows the move in date and certification date on this type of TIC, OHFA advises projects to write the transfer event date on the TIC manually. This is imperative for our auditors to see the date of the transfer.

Tenant Income Certification

Transfer In 8/5/2020	Move-In Date: 03/03/2020	Certification Date: 03/03/2020
Current Household Size: 1	Project Name: TEST - X - Live Data - IT	Building ID#: OH-16-Test Address: 123 Test Dr, Columbus, OH 43215
Unit: 3	# Bedrooms: 0 Square Footage: 678	County: FRANKLIN

Compliance tip:

It is mandatory for projects to update all of the tenant events in DevCo no later than the 10th of each month for the previous month. You will also need to update all tenant events when you are notified that OHFA will be visiting your project to conduct an audit.

Annual Owner Reporting for New Acq/Rehab Projects

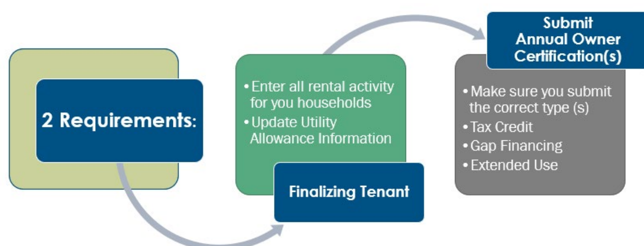
Once the Acquisition is placed in service and the project has qualified at least one tenant, an annual owner report is required. This means finalizing the tenant data and submitting the annual certification questionnaire. Do not wait for the entire project to be leased up to start reporting AORs for acq/rehab projects.

Projects in the Lease Up Phase

- Need to submit annual certification if your building is PIS & qualified at least one unit.
- Finalize tenant data for qualified units.

Annual Owner Reporting

Due March 1st each year.



The stipulations above start with the Acquisition placed in service date and at least one unit being qualified. If you use the 120 days before acquisition to qualify tenants, you will wait until the Acq PIS date to get (not before during the 120 day period) to start the clock for annual reporting.

The graph to the left gives you basic requirements about annual owner reporting and the due date each year.

KNOWLEDGE CHECK MODULE

1. ***Transfers can be permitted between buildings:***

   A. If the 8609s indicate the buildings are part of a multiple building project. **8b Yes**

   B. If the 8609s indicate the building is not part of a multiple building project. **8b NO**

   C. Anytime you need to complete a transfer.

2. ***You are unable to transfer an existing household to a different building if they are above 140% of the income limit, if you are part of a multiple building project.***

   ❍ True

   ❍ False

3. ***The transfer-out date in DevCo needs to be a day before the tenant switches units.***

   ❍ True

   ❍ False

SECTION SIX: **RESYNDICATION**

INTRODUCTION

When an owner of a tax credit property finishes the 15-year compliance period, during extended use they have the option of rehabbing the property and getting new credits based on how much they spend on the acquisition/rehab. Resyndication is an industry term used to describe a subsequent allocation of tax credits on a qualified project that served as LIHTC housing.

Planning and communication are key between all parties. All parties must communicate in the early stages to clearly identify the key aspects of resyndication deals to include how many households cannot qualify due to student status.

EXTENDED USE AGREEMENTS

At the end of the compliance period, all tax credit properties allocated credits since 1990 are required to have an agreement in place to continue affordable housing restrictions for at least an additional 15 years beyond the end of the compliance period. The result is a total of a 30-year extended use agreement (15-year compliance period + 15 years after). The new allocation of credits will also have a new extended use agreement for at least 30 years, and it will start with the new credits. To put it another way, the extended use periods will overlap by several years.

Years 2000-2029: Affordability Period #1
Compliance periods ends 2014

Overlap 15 Years
(2015-2029)

Years 2015-2044: Affordability Period #2
Compliance period ends 2029

GRANDFATHERING

It is important to remember households never lose tax credit eligibility regardless of income increases after move-in, but they always can lose their tax credit status if they become ineligible students. Although previously income qualified households are protected, there is no such protection offered to full time student households.

What About Students?

Student status will need to be tested at acquisition to establish if households that are grandfathered in for income reasons are also student eligible.

TENANT FILE BEST PRACTICES

How should I organize the file and what paperwork is required?

→ **Keep original file with files that establish the second set of credits.**
- A best practice is to keep the original qualification file with files establishing the second set of credits. This way, it will allow a more efficient review of files during an audit or compliance review.

→ **Color code files.**
- Another best practice is to color code the original qualification file so that is it easily identifiable.

What paperwork is required to prove the household is qualified?

The IRS does not specify. OHFA provides the following guidance.

- Use the original file showing the household qualified
- If that file is not available or is incomplete, use the most recent recertification file to demonstrate the household qualified under limits at the time of recertification even after move in

8823 Guide 4-35 and 36

Another way to prove the tenant was qualified if the original file is missing or incomplete is to conduct a retroactive certification back to the original move-in date. Either way, owners should establish that the household qualified during the first extended use period and therefore continues to qualify for the second set of credits.

The owner must know what is required by the Syndicator. The Syndicator, often known as the investor, purchases ownership interests in LIHTC projects by buying housing tax credits from the owners/developers. As part of the transaction, the Syndicator becomes a limited partner. Syndicators may require that a full recertification of in-place households is conducted.

Best Practice

- To ensure a clean file that meets current verification standards, owner should consider conducting a full recertification.
- If household qualifies under current income limits for the new credits, no further work is necessary.
- If the household does not qualify after conducting a recertification, use an OHFA Clarification Record as to why the original file (even if incomplete) is being used.
- Conducting a recertification also ensures the next available unit rule is being followed if the in-place household income exceeds 140% of current income limits.

WHAT INCOME LIMITS DO I USE?

According to the 8823 Guide from the IRS, "households determined to be income-qualified for purposes of the IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the +30-year extended use agreement. As a result, any household determined to be income qualified at the time of move-in for purpose of the extended use agreement is a qualified low-income household for any subsequent allocation of IRC §42 credit." This is referred to as income "grandfathering".

- Grandfathered households continue to qualify based on their original certification and income limits at the time of the start of new credits. So income limits aren't really relevant to the income qualification status of grandfathered tenants
- New move-in households must be certified under current income limits.
- Since income limits are held harmless starting when a project places in service, and the new set of credits place in service at the new acquisition date, an owner cannot rely on income limits that are held harmless to a past year. They must start with the current published limits in effect as of acquisition.
- The 2008 Housing Economic Recovery Act (HERA) established a Hold Harmless policy to avoid jeopardizing the financial feasibility of existing housing properties by maintaining the prior year established income limits and rents when annual income limits decrease. HERA special limits are an option for projects that were in service in 2008 or earlier. Since the new credits establish a new placed in-service date that is after 2008, HERA special limits and rents cannot be used.

IRS LIHC Newsletter #35 page 4, Q12

Rent limits

For households who are in place at acquisition and who move in afterwards, the rent restrictions will be calculated based on the current income limits applicable to the property, or the gross rent floor in place with the second allocation, whichever is higher. Gross rents at a tax credit property never have to fall below what they were as of the date of the credit allocation. This ensures the rents never fall below the numbers that were used for financial feasibility and underwriting by the state agency and the owner near the time the development applied for and received tax credits. This is known as the Gross Rent Floor.

Credit Allocation

OR

Placed-in-service date IF such election is made by the owner

The Gross Rent Floor is the amount of rent that a project never has to decrease the existing gross rents even if the maximum rent limit decreases. The gross rent floor is determined at allocation or the projects placed in service date. This same concept is applied with Held Harmless income and rent limits.

In-place household as of the date of acquisition may automatically income-qualify for the new credits, but their rent may not be correct and will need to be adjusted to be eligible for tax credits. Therefore, the owner may actually have to drop rents based upon current income limits.

Non-Compliance with Gross Rents

Once a unit is out of compliance with rent limits, the unit is no longer a low-income unit for the rest of the owner's tax year. A unit is back in compliance when the rent charged does not exceed the limit.

8823 Guide, Page 11-10

KNOWLEDGE CHECK MODULE

1. *Grandfathering tenants student status during a resyndication is permitted.*
   - ❍ True
   - ❍ False

2. *Can the owner resyndicate during the compliance period?*
   - A. Yes
   - B. No
   - C. Maybe, if state HFA approves

3. *HERA Income and Rent Limits can be used on a new resyndicated project.*
   - ❍ True
   - ❍ False

ACQUISITION-REHABILITATION HELPFUL RESOURCES

SECTION 1 - ESSENTIALS

APPLICABLE FRACTION (AF)

- IRC Section 42 (c)(1)(B)
- 8823 Guide, Page 8-6
- IRS Revenue Ruling 92-61 and 04-82
- IRS Newsletter #14

PLACING IN SERVICE

- IRC Section 42(e)(3)(A)
- IRS Notice 88-116
- 8823 Guide, 4-24 #39

ELIGIBLE AND QUALIFIED BASIS

- IRC Section 42 (d)
- 8823 Guide, Chapter 8
- IRC Section 42 (c)(1)

CALCULATING CREDITS

- 8823 Guide, Page 9-1
- Tax Credit and Carryover Deadlines
- IRC Section 1.42-6(A)
- Section 42(e)(3)(A)(ii)(I)

SECTION 2- START OF AND MAXIMIZING CREDITS

CREDIT STREAMS

- Section 42 (b)
- Section 42 (i)(2)

CLAIMING CREDITS YEAR ONE (PRO-RATED AF)

- IRC 42 (f)(2)(A)
- IRC 42 (f)(2)(B)

DEFERRED CREDITS

- IRS Revenue Procedure 2003-828823 Guide, Page 4-25

UNITS ADDED AFTER YEAR 1 (2/3 CREDITS)

- IRC 42 (f)(3)

TRANSFERRING UNITS

- IRC 1.42-15(d)
- 8823 Guide, Pages 4-23 to 4-25

SECTION 3 - BEST PRACTICES

FEDERAL SET-ASIDES

- IRC 42(g)(1)
- 8823 Guide, Chapter 10

INCOME LIMITS

- Housing & Economic Recovery Act 2008 (HERA)

ANNUAL RECERTIFICATION EXEMPTION

- 8823 Guide, Chapter 5
- HERA

INCOME CONVERSION FACTORS

Original Income Limit	Convert To:	Conversion Factor	Formula
50% →	80%	1.6	50% limit x 1.6 =80%
	70%	1.4	50% limit x 1.4 =70%
	60%	1.2	50% limit x 1.2 =60%
	40%	0.8	50% limit x .8 =40%
	30%	0.6	50% limit x .6 =30%
	20%	0.4	50% limit x .4 =20%

ACQUISITION-REHABILITATION HELPFUL RESOURCES

SECTION 4 - CERTIFYING RESIDENTS

CERTIFYING EXISTING HOUSEHOLDS

- 8823 Guide, 4-25
- IRS Revenue Ruling 2004-52

SAFE HARBOR RULE

- 8823 Guide, 4-25 and 4-26
- IRS Revenue Procedure 2003-82

ACQUISITION AND REHAB CREDITS AND PLACED IN SERVICE DATE

- IRC 42(e)(4)
- IRC 42 (f) (2)(A) and (8)
- IRS Notice 88-116

UNIFORM RELOCATION ACT

- 49 CFR 24
- 49 CFR 24.402(b)

SECTION 5- TENANT RELOCATIONS AND TRANSFERS

TRANSFERRING UNITS

- IRS Treasury Reg 1.42-(15)(d)
- 8823 Guide, Pages 4-23 to 4-24

NEXT AVAILABLE UNIT RULE (NAUR)

- IRC 42(g)(2)(D)(ii)
- 8823 Guide, Chapter 14

VACANT UNIT RULE

- Treasury Reg 1.42-15(c)
- 8823 Guide, Chapter 16

TENANT RELOCATION

- 8823 Guide, Pages 4-28 to 4-30
- IRS Newsletters #15, #26, #27, #29 and #39

SECTION 6 - RESYNDICATION

RESYNDICATION

- 8823 Guide 4-27

EXTENDED USE AGREEMENTS

- IRC 42 (h)(6)
- 8823 Guide, Chapter 16

PAPERWORK TO PROVE HOUSEHOLD QUALIFICATION

- 8823 Guide, Pages 4-35 & 4-36

RENT AND INCOME LIMITS

- IRS Revenue Procedure 2003-82
- IRS Newsletter #35, Page 4, Q12

KNOWLEDGE CHECK ANSWERS

1st Knowledge Check - Page 12

1. B. 68.97%
2. C. 55.00%
3. A. The date the deed transfers to the new owner

2nd Knowledge Check - Page 18

1. C. 1/1/2021
2. True
3. True

3rd Knowledge Check - Page 29

1. False
2. D. All of the above
3. True

4th Knowledge Check - Page 38

1. D. A&B
2. C. All of the above
3. False

5th Knowledge Check - Page 48

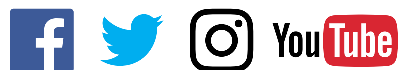
1. A.
2. True
3. True

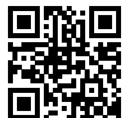
6th Knowledge Check - Page 54

1. False
2. B. No
3. False

57 E Main Street Columbus OH 43215
Phone 614.466.7970 Toll Free 888.362 6432
Fax 614.644.5393 TDD 614.466.1940
Web www.ohiohome.org

STAY CONNECTED...





The Ohio Housing Finance Agency is an Equal Opportunity Housing entity. Loans are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry. Please visit www.ohiohome.org for more information.