Exceptions to the Qualified Allocation Plan (QAP), Low-Income Housing Tax Credit (LIHTC) Rental Underwriting Guidelines must be requested through this Exception Request Form and are considered on a case-by-case basis with compelling justification.

Instructions:

1. **Send a separate form for each individual Exception Request**
2. Include this form and all supporting documentation as directed in the 4% LIHTC QAP and any applicable FAQ’s, with the Final Application. Exception requests submitted via email will not be considered.

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| **Date** |  |
| **Funding Round** | 2025 4% LIHTC |
| **Project Name** |  |
| **Project Address** |  |
| **Developer** |  |
| **Developer Contact Name** |  |
| **Developer Contact Email** |  |
| **Developer Contact Address** |  |
| **Developer Contact Phone** |  |
| **Architect/Architectural Firm** |  |
| **Construction Type (Check All)** | New Construction Rehabilitation  Adaptive Reuse  Mixed  Moderate A New Construction  Moderate B Rehabilitation  Substantial Adaptive Reuse |
| **Population Served (Check All)** | General Occupancy  Senior  Service Enriched |
| **Other Important Information** |  |

## Underwriting Exceptions

Underwriting exceptions are **due with Final Application** (if applicable). For each category below be as specific as possible and describe what actions you will take to best further the intent of the requirement. Provide supporting documentation as necessary to justify your request. Refer to the most recently-published [LIHTC Rental Underwriting Guidelines](https://ohiohome.org/ppd/resources.aspx) for further requirements and details on each of the below.

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| **Check** | **UW Guidelines Section** | **Exception** |
|  | Development Budget: Construction Contingencies | OHFA may allow exceptions to this limit if the applicant can demonstrate that another funding source requires a higher contingency. |
|  | Development Budget: Replacement Reserves | OHFA may permit an exception to these minimum replacement reserves if required by another funding source. *This must be evidenced by a commitment letter restricting the replacement reserves to a lower amount.* |
|  | Income & Expense: Vacancy | Preservation developments with project-based rental subsidy may submit an Exception Request to use a 5% rate if they can document a strong occupancy/low vacancy history. |
|  | Income & Expense: Income/Expense Escalation | Exceptions will be permitted for properties in which operating subsidy is provided by HUD, RD, or the local public housing authority to achieve break-even operations. |
|  | Income & Expense: Service Coordination | OHFA may grant exceptions to Service Enriched developments (including integrated permanent supportive housing), senior developments, or developments that must have a higher service coordination fee based on a federal program requirement. |
|  | Income & Expense: Debt Coverage Ratio (DSCR) | The minimum acceptable DCR is 1.20 for the first year of stabilized operations. OHFA may make exceptions for the first year of stabilized operations where improved and upward trends in DCR are sustained over 15 years. OHFA may grant exceptions for Rural Development properties and developments that contain small hard debt amounts. |
|  | Cost Containment | Applicants must submit an Underwriting Exception Request if Cost Containment standards are exceeded. OHFA may permit an exception if higher costs are justified by project type (i.e. adaptive reuse) or circumstances. |

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| **Justification** |
| * For each category selected above, describe your justification for the request and the actions you will take to best further the intent of the requirement. * Provide supporting documentation as necessary to justify your request. Refer to the most recently-approved LIHTC Rental Underwriting Guidelines for further requirements and details. |
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