

MEMORANDUM NO. 08-10-01 TC20

TO: Housing Tax Credit (HTC) Owners and Management Agents

FROM: Vona Johnson, Director
Rental Housing Management

SUBJECT: H.R. 3221, Housing and Economic Recovery Act of 2008

DATE: October 24, 2008

The Housing and Economic Recovery Act of 2008 was signed into law on July 30, 2008 and includes substantial changes to the administration of the Housing Tax Credit Program. This memo summarizes the impact of the legislation as it applies to the compliance monitoring as of July 30, 2008.

- **Elimination of Annual Recertifications for 100% Housing Tax Credit Properties**
Annual recertifications of household income will no longer be required on 100% Housing Tax Credit properties after July 30, 2008. Prior to this date, an annual income recertification was required for every household.

PLEASE NOTE: All 100% HTC properties will be required to annually complete an "Annual Household Certification Update" within 120 days of the anniversary date of the move-in. The "Annual Household Certification Update" form is a self-certification. All initial tenant files must still contain complete third party documentation.

If a development includes any market rate units, an annual income recertification must be completed by each household.

The elimination of the recertification requirement applies only to 100% HTC properties. If you have other subsidies such as Rural Development, HOME or Section 8, (this not an inclusive list) annual recertifications will continue to be required for those programs.

- **Military Housing Allowance**
The new legislation excludes military employees' basic allowance for housing from the definition of income if they are housed in a building located in a county with a military base that had its population grow by 20 percent or more between December 31, 2005 and June 1, 2008 or any county adjacent to such a county.

Ellsworth AFB does not qualify for this allowance.

- **Additional Student Exception**

A unit shall not fail to be treated as a low-income unit merely because it is occupied by an individual who is a student who was previously under the care (Foster care) and placement responsibility of the State agency responsible for administering a plan under part B or part E of the Title IV or the Social Security Act. In order for a unit to qualify under this exception, third party document must be procured from the Foster care agency.

Any questions pertaining to the required documentation or compliance monitoring in general should be addressed to Julie Anderson, Housing Management Officer. Her direct phone line is (605) 773-2461 and her e-mail address is julie@sdhda.org.

VJ/ja

Enclosures

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