LIHTC Compliance Policy #8
June 2008

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Low Income Housing Tax Credit Program

POLICY STATEMENT

COMPLIANCE MONITORING FEE FOR TAX-EXEMPT PROJECTS

EFFECTIVE JUNE 17, 2008

Effective with the issuance of MSHDA's 2008 Qualified Allocation Plan, compliance monitoring fees are as follows: All units for which an allocation of credit was not made by June 16, 2008 must pay the sum of $450 per low income unit, which amount will cover the entire 15 year monitoring period and the extended use period and is payable prior to issuance of Form 8609.

All projects that received an Allocation of credit prior to June 17, 2008 were allowed to pay $300 per low income unit regardless of the placed in service date.

Several projects that are financed with tax-exempt bonds received a Reservation of credit prior to June 17, 2008. Because the tax-exempt financed projects are subject to Section 42(h)(4) which exempts tax-exempt projects from the carryover requirement, and a Carryover Allocation can be issued only during the month in which the bonds were sold, only a Reservation and Commitment of tax credit were issued for these projects.

The Authority understands that the projects would have obtained a Carryover Allocation if necessary, and thus, will allow tax-exempt projects which received a Reservation and/or Commitment of tax credit prior to June 17, 2008, and which have been progressing toward completion with no interruptions, to pay $300 per low income unit regardless of the placed in service date.

EFFECTIVE JANUARY 1, 2001

On January 1, 2001, the following compliance monitoring fees became effective: All units for which an allocation of credit was not made by December 31, 2000 must pay the sum of $300 per low income unit, which amount will cover the entire monitoring period and is payable prior to issuance of Form 8609.

All projects that received an Allocation of credit prior to January 1, 2001 were allowed to pay $175 per low income unit regardless of the placed in service date.

Several projects that are financed with tax-exempt bonds received a Reservation of credit prior to January 1, 2001. Because the tax-exempt financed projects are subject to Section 42(h)(4) which exempts tax-exempt projects from the carryover requirement, and a Carryover Allocation can be issued only during the month in which the bonds were sold, only a Reservation and Commitment of tax credit were issued for these projects.

The Authority understands that the projects would have obtained a Carryover Allocation if necessary, and thus, will allow tax-exempt projects which received a Reservation and/or Commitment of tax credit prior to January 1, 2001, and which have been progressing toward completion with no interruptions, to pay $175 per low income unit regardless of the placed in service date.