



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

GARY HEIDEL
EXECUTIVE DIRECTOR

MEMORANDUM

TO: INTERESTED PARTIES
FROM: CHRISTOPHER L. LAGRAN, ACTING DEPUTY DIRECTOR – HOUSING DEVELOPMENT
SUBJECT: LIHTC DEADLINE EXTENSION FEES
DATE: OCTOBER 26, 2011
CC:



In recent years, principally due to factors in the marketplace, the Authority has given necessary flexibility to applicants with regard to various project-specific deadlines. Along with this flexibility and granting of extensions of time to meet deadlines, the Authority also suspended its practice of charging the fees associated with these extensions. The purpose of this memo is to inform stakeholders of changes the Authority intends to make with regard to charging fees for projects needing additional time to meet deadlines.

Section XVIII of the Qualified Allocation Plan states in part, "MSHDA may establish such other fees as may be necessary to effectively administer the program. Such fees may include, but are not limited to, charges to process waiver requests, changes in ownership, subsidy layering reviews and site visits." Accordingly, the Authority is reinstating its prior practice of charging fees to projects that need additional time to meet project-specific deadlines – primarily the LIHTC Commitment deadline. However, in lieu of charging a fee equal to 5% of the annual credit amount that had previously been required, sponsors will now be required to pay a fee equal to 1% of the annual credit amount as part of the extension request and approval process.

The Authority understands and agrees that there may be a need for deadline extensions in certain circumstances and that some delays may be caused by events that are outside of the control of the owner. However, in an effort to keep projects on schedule as much as possible and to ensure that only those projects which are likely to move forward are receiving extensions, the Authority believes charging a reasonable extension fee is necessary to effectively administer the LIHTC program.

If you have any questions regarding this announcement, please contact LIHTC staff at (517) 373-6007.