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M E M O R A N D U M

TO: Recipients of a 2008 Low-Income Housing Tax Credit Carryover Allocation Agreement

FROM: Multifamily Development Division

DATE: October 8, 2009

SUBJECT: 10% Test Requirements

The following modifications are hereby made to the THDA deadlines regarding the 10% test requirements (as described in Section 42(h)(1)(E)(ii) of the Internal Revenue Code of 1986, as amended) that apply to developments that received a 2008 Low-Income Housing Tax Credit Carryover Allocation Agreement ("2008 Carryover").

For developments that received a 2008 Carryover and returned the entire allocation of 2008 tax credits in anticipation of receipt of Section 1602 funds, the requirements of the 10% test must be satisfied ***no later than* the earlier of** (a) the date which is 1 year after the closing for the Section 1602 funds, or (b) December 31, 2010. The deadline for submitting documentation to demonstrate satisfaction of the requirements of the 10% test will be established at a later time.

For developments that received a 2008 Carryover and returned a portion of the allocation of 2008 tax credits in anticipation of receipt of Section 1602 funds, the requirements of the 10% test must be satisfied not later than December 31, 2009. The deadline for submitting documentation to demonstrate satisfaction of the requirements of the 10% test has been extended to 1:00 PM CT on Monday, February 1, 2010.

For developments that received a 2008 Carryover and have not returned any of the allocation of 2008 tax credits **and** anticipate receipt of Section 1602 funds, the requirements of the 10% test must be satisfied not later than December 31, 2009. The deadline for submitting documentation to demonstrate satisfaction of the requirements of the 10% test has been extended to 1:00 PM CT on Monday, February 1, 2010.

For developments that received a 2008 Carryover and have not returned any of the allocation of 2008 tax credits, the requirements of the 10% test must be satisfied not later than December 31, 2009. The deadline for submitting documentation to demonstrate satisfaction of the requirements of the 10% test has been extended to 1:00 PM CT on Monday, February 1, 2010.

If you have questions, please contact:

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