



Emerging LIHTC Issues

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Welcome to the recent addition to The Credential. Our intent is to provide HCCPs with a brief update on the latest upcoming news and potential changes in the LIHTC industry. Keeping in mind that the majority of HCCPs work with multi-funded projects we will also touch on some non-LIHTC changes that will most likely affect your day-to-day work.

- Revitalizing Downtowns and Main Street Act, H.R. 9002: In July this bill was introduced in Congress and was met favorably on both sides of the aisle. This bill hopes to provide a solution for seldom used and/or blighted commercial properties that can be rehabbed as low-income housing projects. This will be a tax credit program, and, for those familiar with the Historic Tax Credit, it looks very similar in the way it is currently structured. Our friends at Novogradac have provided an article that goes into more detail on the topic. You can [click here](#) for more information.
- 2025 HOTMA adjustment factors: If you have not heard the news yet, HUD released the 2025 adjustments on July 31st. They are effective on January 1, 2025. For our readers who are subject to HOTMA, this will have implications on how you will determine eligibility for your tenants and applicants. Our friends at Costello Compliance have posted an in-depth article about these changes and provided links to the HUD notice. For more information about what is included in the release, please [click here](#).
- Preserving Rural Investments Act: This legislation would amend the tax code to clarify that Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac are not tax-exempt controlled entities (TECEs) and thus are eligible for tax benefits that are not available to TECEs. This would allow Fannie Mae and Freddie Mac to invest in multi-investor Housing Credit funds without jeopardizing those benefits for other investors in the funds. This is an important piece of legislation that benefits investment in smaller, more rural areas. Our friends at NCSHA have more details. You can [click here](#) for more information.
- 2024 Rural Development Income Limits: USDA/RD released the 2024 income limits in July. If you have this source of funding and you have not taken a look yet, please click [here](#) to see your updated limits.
- Tax Relief for American Families and Workers Act of 2024 Update: On August 1st the bill failed by vote in the Senate to move forward, which means it is now dead as it is currently written. There is a chance that pieces of the bill might be introduced with other



bills in the future. It's back to the drawing board to see if a way can be found to reintroduce a revamped version of this bill in the future.

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