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Explanations of Revisions

1. Asterisks used to identify revisions in the October 2009 version of the guide have been removed and now reflect significant changes made for the January 2011 version of the guide.
2. Changes have been made through the text to correct typing and formatting errors. These changes, which do not impact the meaning of the text, are not identified.
3. Chapter 1, Exhibit 1, Step 4: The text was updated to explain that a Form 8823 must be filed with the IRS to report the correction of previously reported noncompliance (back in compliance) if corrected within three years after the end of the correction period.
4. Chapter 4:
 - Page 4-1: The citation for nonmetropolitan areas in #1 of the list has been updated to reflect the correct Code section; i.e., IRC §42(d)(5)(B)(iv)(IV).
 - Page 4-14: Clarification that assets disposed of for less than fair market value within two years of the effective date of a tenant's initial certification or recertification, including assets placed in irrevocable trusts, are included as an asset in the determination of the tenant's income.
 - Page 4-21: The list of items specific excluded from income now includes a separate line item for the value of food stamps (line #3).
5. Chapter 6: CCA 201042025 was added to the list of references.
6. Chapter 7, page 7-1: a note has been added to item #4 on the list to explain that for tax years ending after July 30, 2008, if all the low-income buildings in the *project* are 100% low-income buildings, owners are not required to complete annual tenant income recertifications.
7. Chapter 11, page 11-4: The second of three equations included in Example 1 has been corrected and now reads, "\$35,430 x .30 = \$10,629.00" instead of "\$31,430 x .30 = \$10,629.00."
8. Chapter 12, page 12-3: The first sentence of the second paragraph of Example 1 has been revised to read, "Although each unit fell out of compliance..." to reflect Treas. Reg. §1.42-9(c); i.e., the unit is treated as a residential rental unit that is not a low-income unit.
9. Chapter 18: The "Out of Compliance" and "Back in Compliance" sections have been significantly expanded to provide additional discussion and examples. The text clarifies that determinations of noncompliance are made when gross rent exceeds the maximum gross rent limit as the result of computational or procedural errors.