



OHIO HOUSING FINANCE AGENCY

57 East Main Street Columbus OH 43215

www.ohiohome.org

Memorandum

To: ARRA Funding Recipients
From: Sean Thomas
Date: September 10, 2010
RE: Expenditure Requirements - *Updated*

Tax Credit Exchange ("TCE" or "1602 funds")

The U.S. Department of Treasury has recently provided additional guidance regarding the "30% test". Again, the test is used for recipients who have not drawn down all of their awarded funds by the end of the year. The recipient must have paid or incurred at least 30% of the total adjusted basis in land and depreciable property that is reasonably expected to be part of the project by December 31, 2010.

The new guidance describes how states should report compliance with the "30% test" to the Treasury in their quarterly report. In addition Treasury provided a template form (attached) for subawardees (recipients). OHFA recipients must now use this form in lieu of the forms previously published by OHFA. This new form is less burdensome to complete and does not require an accountant's certification.

In order to comply with the "30% test" requirement, if applicable, recipients must complete, execute, and send the original Treasury form to my attention at OHFA no later than **5:00 p.m., December 9, 2010**. No additional documentation or accountant's certification will be necessary.

Failure to comply with this federally mandated deadline will result in the immediate termination of the TCE award and possible recapture of funds drawn to date. A recipient's ability to meet ARRA deadlines will be considered in evaluating future applications for OHFA funding including the 2011 Housing Tax Credit round.

Please direct questions to me at sthomas@ohiohome.org.

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