



South Carolina
STATE HOUSING
Finance and Development Authority

(803) 896-9001 • 300-C Outlet Pointe Blvd • Columbia, South Carolina 29210

Memorandum

Date: October 21, 2008
To: 2008 Tax Credit Award Recipients
From: Laura Nicholson, Program Manager
Subject: Return of Credits and Hold Harmless Period Extended

With the economy and housing market continuing to struggle and the lack of equity investors in the market willing and able to purchase tax credits, the Authority has decided to extend the “hold harmless” period in which, the Authority will allow the return of 2008 credits without imposing a suspension or debarment penalty. The “hold harmless” period for all 2008 developers has been extended until July 1, 2009. Should you decide that you are unable to move forward with the development you must notify the Authority of such in writing not later than 5:00 p.m. (EST) on July 1, 2009. **Then and only then**, will the Authority accept the returned 2008 credits without penalty. If however, the 2008 credits are not returned by the July 1, 2009, “hold harmless” date, it is expected that the development will move forward and meet the ten percent (10%) expenditure test and be placed in service by the IRS Code deadline.

As per H.R. 3221, the carryover allocation rule was modified and can now be met up to twelve (12) months after the allocation date. For developments utilizing 2008 tax credits, the Authority is extending the ten percent (10%) expenditure test date. Not later than Monday, August 17, 2009 the ten percent (10%) expenditure test must be met. No extension of the ten percent (10%) expenditure test past August 17, 2009 will be given. All developments meeting the ten percent (10%) expenditure test are expected to place in service by the IRS Code deadline or the Authority’s suspension and/or debarment penalty will be imposed.

Developers wishing to resubmit developments that received a 2008 tax credit award may resubmit those developments in the 2009 tax credit funding cycle only if the 2008 award is returned, in writing, to the Authority by 5:00 p.m. (EST) on Friday, February 13, 2009.

A revised 2008 Tax Credit Program Year Timeline is available on the Authority’s website at <http://www.schousing.com/index.asp?n=124&p=5&s=135>.

Should you have any questions please let me know. I can be reached at (803) 896-9190.