SPECIAL NOTE: Use of this worksheet is limited only to owners of qualified housing credit developments. *Due to the hold harmless provision of HERA legislation, the development's income and rent limit are protected from a decrease in the Area Median Gross Income. Effective 5/14/2010, owners may compare all applicable income limits sets for each year beginning with the first income limits available at the development's PIS date to determine the highest limit available for use.*

The following steps may be used to assist an owner/manager in determining which income and rent limits set *(MTSPs, HERA Special or National Non-Metro)* may be utilized by an owner at his/her tax credit project.[1]

Step 1. *Enter the placed in service (PIS) date for the first building in the project.*

1.

Step 2. *Enter "MTSP" on line 2 unless development is considered a GO ZONE[2] project.*

2.

Step 3. *Is the date listed in step 1, prior to January 1, 2009 AND is the development located in an impacted county (notated by an asterisk on the income and rent limit schedule)?*

3.

If yes, this development may use the HERA Special Income Limits to qualify households for the HTC program. Enter "HERA" on line 3.
If no, proceed to step 4.
NOTE: *GO Zone projects are not eligible to utilize the HERA limits; skip step 3 and proceed to the next question.*

Step 4. *Is this development located in a qualified "rural" area[3] or considered a GO Zone project?*

4.

If yes, this development may use the National Non-metro Income Limits to qualify households for the HTC program.[4] Enter "National NM" on line 4. Proceed to next question.
If no, this development is NOT allowed to use the national non-metro income limit set to qualify households for the HTC program. Proceed to next question.
NOTE: *National NM is not applicable for tax-exempt bond developments.*

Step 5. *Enter on line 5 the answers from lines 2, 3, and 4. This indicates ALL income and rent limit set(s) available to this development.*

5.

Step 6. *Enter on line 6 the Fiscal Year for the limits in effect as of the PIS date listed on line 1.*

6.

NOTE: If date listed on line #1 is prior to 1/1/2009, enter 2009 on line 6. Otherwise, FY based on date reflected on line 1.

Step 7. *Beginning with the year listed on line 6 and continuing to the present, pull ALL income and rent limit sets available for use at the development as listed on line 5. Enter on line 7 the highest income limit set and year reviewed.*

7.

This is the current applicable income and rent limit set for the development.
NOTE: *Developments, if applicable, may also refer to its Rent Floor Election for consideration of the highest applicable **rent** limit.*

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[1] *A project is defined by an owner's designation as reported to the IRS on form 8609, line 8b, including the completion and submittal of the required attachment(s) to the IRS.*
[2] *Projects located in a non-metro county of the GO Zone area placed in service in 2006, 2007 and 2008.*
[3] *A rural project is one of which meets the requirements as defined in Section 520 of the Housing Act of 1949. Said developments are eligible to use the national non-metro median income as allowed under HERA.*
[4] *If development is located in one of the non-metropolitan counties that include ineligible areas (Lauderdale, Lee, Lowndes, Warren and Washington), written approval from MHC is needed before use of the National NM limits.*