

Executive Summary
2026 Qualified Allocation Plan (QAP)
Proposed Revisions

*(Revisions in **Blue** represent comments received after the Public Hearing)*

1. **Page 5, Introduction**

Updated paragraph to reflect the proposed date and location of the Public Hearing

On **November 5, 2025**, MHC, acting pursuant to statutory requirements, will hold a public hearing at the **Embassy Suites, 200 Township Ave, Ridgeland, MS** for the purpose of receiving comments on a draft of Mississippi's ~~2025~~ **2026** Qualified Allocation Plan (QAP).

2. **Page 14, e. Fees**

Updated point of contact for bond inducement

For additional information regarding bond inducement, contact ~~Debbie Walker~~ Breanne Hancock at ~~debbie.walker@mshc.com~~ **breanne.hancock@mshc.com** or ~~(601) 718-4607~~ **(601) 718-4669**.

3. **Page 18, Chart 2: Important Dates**

Updated deadlines for the cycle

EVENT	DEADLINE DATE
Technical Assistance Period Opens	January 2, 2026
Request for Compliance Verification Deadline (Mandatory)	January 16, 2026
Waiver Requests / Prior Approval Deadline	February 13, 2026
MHC's Written Response to Waiver Requests	February 27, 2026
Evidence of Compliance with Community Notification due to MHC	March 16, 2026
Technical Assistance Period Closes	March 23, 2026
Application Cycle Opens	March 30, 2026
Application Cycle Closes	April 3, 2026
Tax-Exempt Bond (4%) Application Submissions	Anytime outside of 9% cycle
Tax-Exempt Bond (4%) Waiver Requests	30 days prior to application submission
Tax-Exempt Bond (4%) Evidence of Community Notification	10 days prior to application submission
Appeal Deadline	5:00 PM on the 15th day following notice
10% Certification Test	One (1) year from Carryover date
Initial Status Report	90 days after Reservation Letter
Quarterly Construction Status Report	Within 15 days following each Quarter
15-Month (50% Completion) Certification	15 Months after Reservation Letter
IRS Form 8609 Request Package	Within 180 days of Placed in Service
Development Experience (number of developments PIS)	2015-2025
Management Experience	2022-2025

4. **Page 70, 9. Deeper Targeting**
Added new language regarding Deeper Targeting

Applicants agree to prioritize referrals from an approved MHC housing service provider (as listed in "Addendum L"). A Letter of Commitment between the owner, property manager, and the housing service provider must be included in the application. The Letter of Commitment must include the development's commitment to set aside units to persons on the housing service provider's waitlist first. The Letter of Commitment must also include the housing provider's commitment to provide temporary rental assistance, case management, and other supportive services to persons placed at the development for no more than twenty-four (24) months.

5. ~~**Page 77, Minimum Design Standards, Smoke Detectors**~~
~~**Added new language regarding smoke detectors and carbon monoxide detection requirements. These requirements are in line with the NSPIRE standards**~~
~~Removed and replaced with new language in item 22 of this document~~

- ~~• Inside each sleeping room (e.g., bedroom); and,~~
- ~~• Outside each sleeping room; and,~~
- ~~• Within 21 Feet of All Bedroom Doors; and,~~
- ~~• On every level of a dwelling unit, and~~
- ~~• "Not" within 10 feet of a cooking appliance.~~
- ~~• "Not" within Three feet of Ceiling Fans, Air Ducts, Exterior Doors, or Windows~~
- ~~• If mounted on the ceiling, it must be more than 4 inches from the wall.~~
- ~~• It cannot be closer than 4 inches or more than 12 inches from the ceiling if mounted on the wall.~~
- ~~• Smoke alarms should not be installed within 36" of windows, exterior doors, or ducts where drafts might interfere with their operation.~~
- ~~• "Carbon Monoxide Detection shall be installed in dwelling units containing a fuel burning appliance or a fireplace." IFC Chapter 9, Section 915.1.2 Locations~~
- ~~• "Carbon Monoxide detection shall be included in any dwelling units with attached private garages" IFC, Chapter 9, Section 915.1.5 Private Garages.~~

6. **Page 14, f. Housing Tax Credits Requirements**
Updated language to reflect the new percentage for the basis test for 4% projects

If ~~fifty percent (50%)~~ **twenty five percent (25%)** or more of a development's basis (total development cost including land) is financed with tax-exempt bonds, one hundred percent (100%) of the development qualifies for the tax credit without a decrease in the state's allocation.

An opinion letter from a Certified Public Accountant must accompany the application to certify that ~~fifty percent (50%)~~ **twenty five percent (25%)** or greater of aggregate basis will be financed by tax-exempt bonds

7. **Page 14, g. Housing Trust Fund (HTF) and HOME**
Added new language regarding funding availability for Tax-Exempt Bond projects.

g. Housing Trust Fund (HTF) and HOME

The HOME Program will set aside \$1,500,000 in funds for developments to apply for up to \$750,000 per development.

For deeper targeting units, the Housing Trust Fund Program will set aside \$1,500,000 for developments to apply for up to \$750,000 per development.

8. **Page 14, h. Placed in Service Deadline**

Added new language regarding placed in service requirements for Tax-Exempt Bond projects

h. Placed in Service Deadline

Developments receiving an allocation of tax-exempt bonds and seeking eligibility for 4% Low-Income Housing Tax Credits must be placed in service within twenty-four (24) months (one time six (6) month extension allowed) from the date of Bond Issuance. The time allowed between Bond Inducement and Bond Issuance is twelve (12) months (one time six (6) month extension allowed). Failure to meet these deadlines may result in the revocation of the development's eligibility for 4% LIHTCs through Mississippi Home Corporation's (MHC) and may render the development ineligible for future bond or credit allocations. Extensions may be granted at MHC's sole discretion upon written request, subject to demonstration of good cause, including but not limited to major events or unavoidable construction delays.

9. **Page 44, 2. Quarterly Status Report (QCSR)**

Corrected error and added new language regarding requirement for the QCSR.

2. Quarterly Construction Status Report (QCSR)

The Quarterly Construction Status Report must be submitted on a quarterly basis until the Owner reports that the development has been placed in service and copies of the Certificate of Occupancy (CO) or Certificate of Substantial Completion and Building/Unit Set-up ~~F~~ Form for all buildings have been submitted to MHC's Allocation Department. **In the case of acquisition rehab projects, the Owner is also required to submit documentation verifying the acquisition date which should coincide with the date on the Building/Unit Setup Form.** All reports must be submitted by the deadline dates specified in Chart 4.

10. **Page 10, 1.4 Ineligible Applicants, 7. Default with any MHC Program**

Added new language regarding standing with the MHC programs

7. Default with any MHC Program

Any business or individual determined to be in default in any single MHC program shall be prohibited from participating in the Low-Income Housing Tax Credit (LIHTC) program until the default is fully resolved.

11. **Page 7, 1. Minimum Set-Aside Elections**

Added new MSA option

c. Average Income Test (AIT): 40% of the total residential units be rent-restricted and occupied by tenants whose income does not exceed the specific imputed income limitation designated for their unit, provided that the average of these designated limits across all qualifying units is no more than 60% of the Area Median Income (AMI).

12. **Page 8, 1. Major Noncompliance**

Added new language and examples of major noncompliance

Major Noncompliance refers to significant violations of the governing regulations set forth by the Internal Revenue Service (IRS) and Mississippi Home Corporation (MHC).

Examples of Major Noncompliance include but are not limited to:

- Owner is nonresponsive to Compliance correspondence
- Violation of stated minimum design standards
- No longer participating in IRC 2 requirements
- Any egregious or willful violations tied to elements that directly impact LIHTC scoring or point selection
- Any development with a documented history of physical neglect, chronic noncompliance, financial mismanagement, or tenant health/safety violations will be deemed ineligible if the current application is submitted by any entity or principal that is a Related Party to the prior ownership entity responsible for such deficiencies

13. Page 9, 2. Verification of Compliance Status

Applicants will not be charged for any research that takes less than ~~one (1) hours~~ ~~three (3) hours~~. However, ~~a charge of \$110.00 per hour~~ ~~Multiple or additional requests will be subject to fee(s) as determined by the Compliance Monitoring Division.~~ ~~assessed to cover the cost of researching and processing an Applicant's compliance status request that requires more than three (3) hours of research time.~~ Applicants must include the Compliance Verification Letter with the application.

**14. Page 9, 2 Verification of Compliance Status.
Change requirement of CSV being mandatory.**

Prior to submission of the tax credit application, the Applicant (and its associated entities including members of the development team) ~~must~~ can verify their compliance status via the Compliance Department's online portal, COL/Certification Portal. Final Compliance Status for the year will be identified on the portal as of 12/31/2025. In the case of new entity with no current projects in Mississippi, a Compliance Status Verification request can be submitted. ~~with any and all programs offered or administered by MHC. A written request for compliance status must be received by MHC's Compliance Department by the deadline date outlined in Section 2, Chart 2. Applicants failing to submit the request by the deadline or with outstanding fees will not be eligible to apply.~~

**15. Page 12, d. Relocation Plan
Added new language regarding requirements for a relocation plan**

All acquisition/rehabilitation developments that involve the displacement of persons must submit a Relocation Plan subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970.

Submission of the Relocation Plan is a condition of the LIHTC application approval and must include detailed procedures for providing notice, advisory services relocation assistance, and payment of benefits to all displaced persons. The Relocation Plan is subject to review and approval by MHC's Compliance Division and must be implemented as approved. Failure to comply may result in denial/cancellation of credits.

A Relocation Plan Template will be added to the Required Documents list for submission with the application.

16. **Page 29, 1. Replacement Reserves**
Added new language regarding replacement reserves

Replacement reserves are required for all tax credit applications. Contributions must be made to a reserve account. Reserves must be funded throughout the term of the compliance period and **extended use period** as reflected in the development's 15-year proforma...

To protect the long-term affordability and physical condition of the development, depletion of replacement reserves during the extended use period shall be strictly limited. Reserve fundings may only be withdrawn for necessary capital improvement, essential to sustaining housing quality and compliance with program standards. Any proposed use of replacement reserves during the extended use period required prior written approval by MHC. In cases where residents are provided opportunities to purchase arrangements, replacement reserves must be preserved to address health & safety matters, ongoing capital needs of the development and ensure that affordability and quality standards are maintained for remaining and future residents.

17. **Page 42, 7.6 Development Requests**
Removed Management Change as a standard request

Acceptable standard requests include the following:

- General Partner Entity name change
- ~~Management Company change~~
- Syndicator/Investor change

18. **Page 50, 8.6 Post Year 15 Compliance Monitoring Plan; 8.8 Monitoring Fees**
Updated language and fees

...herein and in the Compliance Monitoring Plan. A development's extended use period will be evidenced by an executed and **recorded** Declaration of Land Use Restrictive Covenant agreement between MHC and the owner.

The owner of a development in noncompliance will be responsible for reimbursing MHC for all expenses incurred. Expenses for conducting additional on-site inspections will include but are not limited to:

- a. The standard mileage rate in effect at the time of the re-inspection,
- b. Any overnight expenses,
- c. A meal allowance ~~of \$35.00 per day, and~~ **to be reimbursed in alignment with the approved per diem rate of the GSA (General Services Administration).**
- d. A charge of ~~\$110.00~~ **\$150.00** per hour to review tenant files and a charge of ~~\$110~~ **\$150.00** per hour to perform a re-inspection of the development's physical condition.
- e. MHC will also charge ~~one hundred and ten dollars (\$110.00)~~ **(\$150.00)** per hour with a ~~one hundred and ten dollars (\$110.00)~~ **(\$150.00)** minimum to review documents forwarded to MHC to correct noncompliance. Any additional expenses incurred by MHC as it relates to an owner's noncompliance shall be the responsibility of the owner, **as outlined in the fees and penalties schedule of the Compliance Monitoring Plan/Summary of Updates.**
- f. MHC will also assess a late fee of \$100.00 per day per development ~~for every day~~ **for the first five (5) days an owner's report submission or response** (i.e. Annual Owner Certification or

Development Financial Analysis Report ([Tenant File](#)) is past due beyond the deadline date prescribed by the Compliance Monitoring division. [Beyond the initial five \(5\) days, the fee structure is as follows: \\$250.00 per day \(days 6-15\); and \\$500.00 per day \(days 16-30\).](#)

18. Page 51, Mandatory Tax Credit Compliance Training
Revised training requirement language

...mandatory for on-site managing agents of “NEW” tax credit developments within forty-five (45) days of the placed in service date of the ~~first~~ [last](#) building or no later than the date...

Additionally, ~~every three~~ [two \(2\) years](#) after, ~~owners and~~ [a management company representative \(i.e. compliance team\)](#) and on-site manager must show documentation of tax credit training conducted by an approved organization or MHC. In the event of a change in on-site management/managing partner, the individual must acquire training within 120 days of the initial change.

19. Page 71, MAOI

Owners and Management Entities must demonstrate continuous marketing efforts by adhering to its marketing plan by utilizing the above-mentioned agencies for referrals. [Prior to initiating marketing and good faith efforts, owners must notify MHC at \[choice.referral@mhc.com\]\(mailto:choice.referral@mhc.com\) of the vacancy.](#) If after exhausting all of these efforts, the Owner/Management...

20. Page 73, Management Experience
Added new language regarding restricted management change periods

[NOTE: Developments awarded Housing Credits may not request or implement a management company change during the 1\) Construction/Rehabilitation period 2\) Within first two years of the last building's place-in-service date.](#)

21. Page 39, 2. Land Use Restrictive Agreement (LURA)

Prior to the issuance of Form 8609(s), the Owner of the development must record the original LURA with the county recorder where the development is located. [A copy of the recorded LURA must be submitted to the Compliance Department within 30 days of evidence of filing.](#)

22. Page 77, Smoke Detectors, Carbon Monoxide Detector (NEW) Fire Extinguisher
Added all new language regarding requirements for these items.

SMOKE DETECTORS

Each unit must include at least two hard-wired smoke detectors, in proper working condition, on each level of the unit.

- [At least one detector must be installed within or immediately adjacent to all sleeping areas, in accordance with local code and NSPIRE standards.](#)
- [Smoke detectors must be interconnected, so that activation of one detector triggers all others within the unit.](#)
- [Battery-only detectors are not permitted unless explicitly allowed by local code for rehabilitation projects where hard-wiring is infeasible.](#)
- [Devices must be tested regularly and replaced in accordance with manufacturer specifications or at the end of their useful life, whichever comes first.](#)

CARBON MONOXIDE DETECTOR

Each unit must include at least one hard wired carbon monoxide detector, in proper working condition, on each level near bedrooms in properties which contain a combustible appliance.

- In all LIHTC-assisted units located in properties that contain any fuel-burning appliance, fireplace, or are served by an attached garage, a minimum of one hard-wired carbon monoxide detector with battery backup must be installed and maintained in proper working condition on each level of the unit, with at least one located within 10 feet of all sleeping areas.
- Properties without any combustible appliances or attached garages are exempt from this requirement but must certify that exemption status annually.
- Combination smoke/CO detectors are acceptable only if compliant with UL 217 and UL 2034 standards and installed in accordance with manufacturer guidelines.

FIRE EXTINGUISHERS

- All properties must have one fire extinguisher in the kitchen and one on each floor of the common areas. All extinguishers must be rated ABC Dry chemical. Fire extinguishers must be inspected and serviced yearly by a certified service provider with tag noting the month and year it was serviced.
- All LIHTC properties must be equipped with properly rated and serviced fire extinguishers to meet life safety standards:
- Each residential unit must contain one ABC-rated dry chemical fire extinguisher mounted in the kitchen area and accessible to residents.
- In common areas, at least one ABC-rated fire extinguisher must be installed on each floor of all buildings, in clearly visible and accessible locations.
- All fire extinguishers must:
 - Be ABC Dry Chemical rated (suitable for Class A, B, and C fires),
 - Be mounted properly per fire code and manufacturer requirements,
 - Be inspected and tagged annually by a licensed/certified fire extinguisher service provider, with a current tag indicating the month and year of last service.

23. Page 77. New bullet item, 20 Smoke-free Development

Smoke-free has been removed from Selection Criteria and added as a Minimum Design Standard.

20. Smoke-Free Developments

The Owner/Management Entity must establish and implement a written policy prohibiting smoking in all units and common areas of the Development. A non-smoking clause must be included in the lease agreement that specifies the non-smoking policy and states the penalties for violating the policy. Signage must be posted throughout the development indicating that smoking will not be allowed in the units or common areas. Also, any designated smoking area(s) must be identified in the written policy and lease agreement. The Owner/Management Entity must make educational materials on tobacco treatment programs, including the phone number for the statewide Mississippi Tobacco Quitline, available to all tenants. A copy of the written policy as well as a sample copy of the lease agreement that specifies the non-smoking policy and penalties for violating the policy must be included in the application.

NOTE: The 3-point amenity for Smoke-free developments has been removed from Selection Criteria on page 66.

24. Page 62, 3. High Opportunity Area
Updated percentages and dates

For Rehabilitation - Census Tract that met the following conditions:

1. Median HHI \geq ~~\$27,500~~ **\$28,371** (50% of MS ~~2022~~ **2025** Statewide Median HHI - ESRI Dec 2024~~5~~)
2. Projected ~~2024-2029~~ **2025-2030** Population Growth \geq -1.25% (ESRI Dec 2024~~5~~ estimate)
3. Projected ~~2024-2029~~ **2025-2030** Median Household Income Growth \geq 0.01% (ESRI Dec 2024~~5~~ estimate)
4. 2024 Unemployment Rate \leq ~~4.5%~~ **5.5%** (state average - MDES – Annual Average, Dec 2024~~5~~ + 1.5%)
5. Located in County that had \geq ~~3.0%~~ **-0.8%** (state average – MDES New Hires Annual Avg., ~~Oct 2024~~ **Aug 2025**)

(OR)

A-B Rated School District as determined by the Mississippi Department of Education
Accountability Performance Results.

<https://msrc.mdek12.org/>

For New Construction - Census Tract that met the following conditions

1. Median HHI \geq ~~\$38,512~~ **\$39,719** (70% of MS ~~2023~~ **2025** Statewide Median HHI - ESRI Dec 2024~~5~~)
2. Projected ~~2024-2029~~ **2025-2030** Population Growth \geq -0.50% (ESRI Dec 2024~~5~~ estimate)
3. Projected ~~2024-2029~~ **2025-2030** Median Household Income Growth \geq 0.01% (ESRI Dec 2024~~5~~ estimate)
4. ~~2024~~ **2025** Unemployment Rate \leq ~~3.0%~~ **4.0%** (state average - MDES – Annual Average, Dec 2024~~5~~)
5. Located in County that had \geq ~~3.0%~~ **-0.8** (state average - MDES New Hires Annual Avg., ~~Oct 2024~~ **Aug 2025**)