

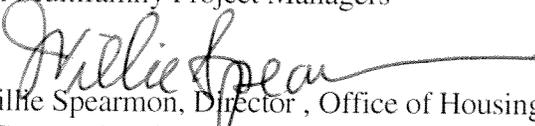


OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

**MAY 31 2011**

MEMORANDUM FOR: All Multifamily Hub Directors  
All Multifamily Program Center Directors  
All Performance-Based Contract Administrators  
All Multifamily Project Managers

FROM:   
Willie Spearmon, Director, Office of Housing Assistance and  
Grant Administration, HTH

SUBJECT: Tax Credit Compliance Fees and Annual Budget Based Section 8  
Rent Increase Requests

It has come to our attention that Multifamily Program Centers are handling tax credit compliance fees in Section 8 projects inconsistently.

An Owner preparing a budget-based request in connection with certain MAHRA contract renewal options and annual rent adjustments follows the requirements of Chapter 7 of HUD Handbook 4350.1, Multifamily Asset Management and Project Servicing, as modified below.

“Projects with low income housing tax credits may include in their budgets the cost of the annual compliance reports (a.k.a. state allocating agency’s compliance and asset monitoring fees) that must be submitted to the tax credit allocation entity.”

If you have any questions concerning this policy, you may contact Kerry J. Mulholland at (202) 402-2649.