## Program Factsheet

### Program Summary

The Oregon Affordable Housing Tax Credit (OAHTC) Program provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent. Applicants must demonstrate a 20-year term during which the benefit of the reduced interest will be passed on to reduce rents for tenants.

OHCS issues a reservation letter to successful applications that have obtained a "Letter of Intent" from their lending institution. The reservation is good for 180 days. The reservation is for the principal loan amount, and expected interest rate and corresponding rate reduction.

OHCS issues a Certification to projects with an acceptable application that have obtained a "Firm Commitment of Financing". A Certification is good for the length of the loan or up to a maximum of 20 years, whichever comes first.

### Eligibility Requirements

One hundred percent of the savings from the reduced interest on the loan must be directly passed through to the low-income tenants and/or end users in the form of lower rents. Low-income households are those making less than 80 percent of the area median income as defined by HUD. The sponsors must show intent to use the tax credit project for a long-term affordable housing use. OHCS requires Restrictive Covenants to guarantee long term affordability. Certain preservation projects and all manufactured housing parks are exempt from passing through cost savings.

Financial institution holding OAHTC loans are annually required to submit loan status reports along with a five percent charge of the tax credits used. The charge may get passed on to the sponsor.

Entities considered "qualified borrowers", or "sponsors" are for-profit or nonprofit corporations, state, or local government entities (including but not limited to housing authorities) or a controlling partner in a limited partnership that enters into Restrictive Covenants regarding the rents on a property and eligibility of occupants.

### For more information, please contact:

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