

Submission Requirements for Processing Modification Requests

The Agency has seen a substantial increase in the number and frequency of modifications to Low Income Housing Tax Credit Applications post reservation. This is a contributing factor in the delay of various reviews. In an effort to expedite reviews, the Agency is providing supplemental guidance outlined below.

The Agency anticipates Applications receiving a reservation to be poised to move quickly to closing, especially those that have requested consideration in ranking for the ability to proceed. For this reason, material changes to an Application should not routinely occur. If a material change is necessary, a detailed explanation of the change and why it is necessary must be submitted as part of a modification package. Please take the items listed below into consideration when determining how to handle potential application changes. Also listed below are the timing and submission requirement for a modification package, should it be necessary.

1. Changes to an Application will not be accepted until the due diligence review has been completed. The due diligence review is based **solely** upon the information contained in the initial application, except for any changes made by staff during underwriting and review. Upon completion of our due diligence review, the Agency will issue a final Agency spreadsheet.
2. For this reason, **a modification package will not be accepted until the due diligence review has been completed.**
3. The Agency strongly encourages an owner to only submit a modification package once the extent of a change(s) is/are fully known, so that if necessary only one modification package is submitted rather than multiple packages over the span of several weeks or months. This will reduce the time spent processing, as well as potentially reduce the fees assessed.
4. We strongly encourage that if you find it necessary to submit a modification package, that it be submitted at least 60 days prior to the equity and/or Agency loan closing. Failure to do so, may result in either the closing being delayed and/or proceeding to a closing without the Agency's approval. In doing so, it will be at your own risk.
5. A waiver of the closing deadline, extension fees, and/or any program deadline established in the reservation letter and/or guidelines will not be granted solely on the basis that a modification package is pending or under review.
6. Failure to meet the closing deadline and/or any program deadline established in the reservation letter and/or guidelines may result in the recapture of the Tax Credits and/or future applications for any Tax Credits or Agency Financing may be penalized in ranking or rejected from any individual or organization that fails to meet an established deadline date in any year.
7. **Hard copy submission of a modification package is required. Electronic submissions will not be accepted.**
8. A modification package must include the following:
 - A. Completed Modification Request Checklist (copy attached).
 - B. A narrative including a detailed explanation of the change(s), including why it is necessary, and why it was unknown at the time of initial application.
 - C. Supporting documentation (i.e. applicable revised Core Application pages and/or Application Tabs and Exhibits)
 - D. Modification Fee (\$500 per item/change up to a maximum of \$2,000).

Please Note: The Agency's review will be strictly limited to those changes outlined in the modification package request. It is the owner's responsibility to track, and clearly detail any change to an Application.

Agency approval is not inferred or implied by the submission of documents incorporating or reflecting an unapproved change (i.e. construction documents, schematics, email correspondence, etc.) , or any discussion of modification.

As the applicant/owner it is your responsibility to either follow through with the representations made in the initial application or obtain the Agency's review and written approval through the Application Modification process outlined above. Failure to do so may result in the reduction or recapture of Tax Credits and/or future application submissions being penalized or rejected.
