



**MANAGEMENT BULLETIN #517**

**DATE:** February 9, 2021

**TO:** Owners and Agents of IHDA Assisted and Financed Rental Properties

**CC:** Asset Management Department Staff

**FROM:** Asset Management Department, IHDA

**RE:** IRS Renews COVID-19 Regulatory Relief for LIHTC Properties

**SUMMARY:**

The IRS has renewed and expanded COVID-19 regulatory relief for properties funded with federal Low Income Housing Tax Credits (LIHTC).

The IRS first announced regulatory relief for the LIHTC program as of July 1, 2020 (see [Management Bulletin #506](#)) and expiring on December 31, 2020. With [Notice 2021-12](#) the IRS has renewed existing regulatory relief through September 30, 2021 and will allow monitoring agencies to extend certain deadlines, including the correction period for addressing noncompliance.

IHDA plans to implement the IRS guidance as follows:

**Tenant Income Certifications:** Owners and agents of LIHTC properties will not be required to complete income re-certifications for existing tenants for the period that started April 1, 2020 and extending through September 30, 2021.

The waiver does not apply to initial income certifications required to qualify new tenants, or to annual student status certifications required for both new and existing tenants.

Income recertification requirements will resume on October 1, 2021.

**Tenant File Reviews:** IHDA will continue to defer triennial tenant file review for LIHTC properties through September 30, 2021. IHDA will be required to resume tenant file reviews no later than October 1, 2021.

**Physical Inspections:** IHDA will continue to defer triennial LIHTC physical inspections for existing properties until further notice. IHDA will continue to monitor COVID-19 related conditions in Illinois and emerging federal and state guidance to inform related decision

making.

**Correction Periods:** IHDA will consider owner requests for extensions to the correction period for addressing noncompliance based on property and public health conditions. Under parameters defined by the IRS, extensions of up to 1 year may be made available for correction periods that were originally scheduled to end on or after April 1, 2020 and before September 30, 2021. Monitoring agencies may award shorter extensions, or no extension. No extension may extend past December 31, 2021.

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**ATTENTION:**

Due to concerns surrounding COVID-19 (i.e. Coronavirus), IHDA will not be accepting visitors at our offices until further notice. Many on-site meetings are being held remotely or have been postponed. With no on-site meetings or visits, IHDA staff will continue to be available via email and telephone. We also urge you to check the IHDA website or call (312) 836-5200. Your patience is appreciated as we all adjust to this new work environment.