



To: Real Estate Department Partners  
From: Real Estate Department  
Date: January 21, 2021  
Re: **Minimum 4% LIHTC Rate under the Consolidated Appropriations Act of 2021**

Notice: **RED-21-03**

The Consolidated Appropriations Act of 2021, which passed on December 21, 2020, established a 4% minimum LIHTC rate for acquisition credits and tax-exempt private activity bond-financed developments. As a result, IHCDA is offering the following guidance for tax-exempt private activity bond-financed developments.

**1) For new bond applications submitted after the date of this notice:** These developments may utilize the 4% rate as part of the full application.

**2) For bond applications already submitted to IHCDA but not yet approved:** If a development wishes to use the 4% rate, the Applicant must submit an updated application (Form A) and all applicable documentation that has changed.

**3) For bond applications already approved by IHCDA's Board but not yet closed on the bonds:** If a development wishes to use the 4% rate, the Applicant must submit an updated application (Form A) and updated documentation of sources and uses. IHCDA will issue a new determination letter after completion of its review.

Questions about this notice can be directed to Alan Rakowski, Director of Real Estate Allocation, via [arakowski@ihcda.in.gov](mailto:arakowski@ihcda.in.gov) or 317-233-1220.



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