Indiana Housing & Community Development Authority

To:	Real Estate Department Partners	**Notice: RED-26-25**
From:	Real Estate Department	
Date:	June 26, 2026	
Re:	**25% Test Update for AWHTC Applicants**	

In RED Notice 26-11, IHCDA stated that the agency would issue a RED Notice confirming the policy concerning the 25% Test guidance that will be applicable during the 2027 4% LIHTC and Tax-Exempt Bond with Affordable and Workforce Housing Tax Credit (AWHTC) Round. IHCDA will allow applicants to request tax-exempt bond volume representing **30% of aggregate basis or the maximum permanent supportable debt, not to exceed 55% of aggregate basis**.

This policy will be in effect for the 2027 4% LIHTC and Tax-Exempt Bond with Affordable and Workforce Housing Tax Credit Round and all future bond funding rounds under the 2026-2027 QAP, unless a subsequent RED Notice is issued to amend this policy.

This application round will utilize the Online Tax Credit Application. For account setup instructions and other information, please see RED Notice 25-23.

Please visit the Indiana Low-Income Housing Tax Credit webpage for the most recent estimate of available bond volume.

Questions about this notice may be directed to Emily Castro at ecastro@Ihcda.in.gov or (317) 232-0621.