

Wisconsin Housing and
Economic Development Authority
201 West Washington Avenue
Suite 700 | P.O. Box 1728
Madison, Wisconsin 53701-1728

T 608.266.7884 | 800.334.6873
F 608.267.1099



Date: January 7, 2016

To: LIHTC Development Community

From: Commercial Lending Group

Re: QCT and HFA Basis Boost Policy for 2016

In late-December 2015, Congress approved spending bills and tax extender legislation – which includes a provision that establishes a 9% minimum rate for the Low Income Housing Tax Credit program.

For the 2016 LIHTC cycle, applicants should include a 9% credit rate in their applications. The recently-enacted legislation does not include a minimum 4% rate, so applicants should continue to use the floating rate (adjusted monthly) for the calculation of acquisition credits.

With the increase in the credit rate from the floating rate of 7.51% (January 2016) to 9%, WHEDA will be reducing the maximum basis boost that may be requested in a competitive LIHTC application. For properties in the Supportive Housing and Rural Set-Asides, the QCT and HFA Basis Boosts will be limited to 20% - for all other set-asides, the QCT and HFA Basis Boost will be limited to 15%.

Thank you for supporting Wisconsin affordable housing.

-WHEDA Commercial Lending Group

