2025 Housing Tax Credit Program

Summary of Changes - Modification #4 of the 2025-26 QAP

Updated: November 14, 2025

On November 13, 2025, WHEDA's Board of Directors approved Modification #4 to the 2025-26 Qualified Allocation Plan to address challenges faced by the 2025 competitive Housing Tax Credit (HTC) recipients in meeting the Application Two requirements. The following modifications will apply to the 2025 allocations of 9% Federal HTCs and State HTCs:

<u>Extensions for HUD or Rural Development Approvals</u>

Due to the federal government shutdown, developments with HUD or RD Assistance will receive an extension to submit the required HUD or RD approval documentation until February 7, 2026 (twice the number of days that the federal government was closed). All other Application Two materials must be submitted by the due date of November 30, 2025. Applicants must also submit an overview of the status of the requested approvals as of the date of the government shutdown and expected timelines for securing final approvals.

<u>Increase in Housing Tax Credit Allocation</u>

Due to the material decline in HTC equity pricing, WHEDA will provide a percentage-based increase to the initial allocation of Credit up to the following amounts:

- 9% Federal HTC Allocations: Up to 6% increase to the amount of 9% Credit reserved on the 2025 Reservation Agreement
- State HTC Allocations: Up to a 17% increase to the amount of State Credit reserved on the 2025 Reservation Agreement

All projects are eligible to request an increase with demonstrated need and continued conformance to WHEDA's published underwriting requirements. Applicants who wish to request an increase can do so according to the following process:

- Submit an updated Multifamily Application Workbook (MFA) with the Application Two submission to reflect the total amount of credit requested.
- Submit an equity LOI to confirm that the investor will purchase the total amount of Credit reflected in the MFA.
- Projects that meet all Application Two requirements will receive a Carryover/Tier One Agreement reflecting the updated amount of Credit.
- Applicants will be assessed a 5% Reservation fee and 5% Carryover/Tier One fee on the increased amount of Credit in addition to the 5% Application Two fee.

<u>Application Two Extension Policy</u>

Due to the 2025 Application Two due date of November 30, 2025, and to ensure that WHEDA can issue all Carryover/Tier One Agreements by the end of the calendar year in accordance with the QAP, applicants may request one 14-day extension to the Application Two deadline for a fee of one-half of 1% of the annual allocation of credit. Applicants who exercise this extension will be given 48 hours to accept the Carryover/Tier One Agreement by executing and returning it to WHEDA with payment of all fees.

<u>Construction Start Deadline Extension Policy</u>

Administrative update to modify the extension policy for the construction start deadline from three 30-day extensions to one 30-day extension consistent with the policy in previous QAPs and strictly enforced for 2024 awardees in calendar year 2025. This policy will apply to all projects that receive a 2025 or 2026 Housing Tax Credit allocation of any credit type.