New Markets Tax Credits

- HFHI Allocation / Other Transactions
- Investors Provide Equity – Take Income Tax Credits Over 7 Year Period
- Credits are generated for investments in qualifying projects
- Habitat Affiliates – 2 ways to qualify
  - Location of Affiliate Operations
  - Location of Homes (120% AMI) /Qualifying Residents (80% AMI)

New Markets Tax Credits

- Purpose – leverage existing assets and cash
- Example:
  $240,000 Cash
  $1,000,000 Assets (Homes/Land)
  $475,000 NMTC Equity
- 7 Year Reporting Period
- Loan Structure

New Markets Tax Credits

- Recapture Liability
- Collateral for Loan
- Documentation of Income Limits
- Building Location http://www.novoco.com/new_markets/resources/ct/
- Audited Financial Statements/Projections