
LOW INCOME HOUSING TAX CREDITS – HUD

2014

LIHTC Basics

The LIHTC Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households. The LIHTC Program may seem complicated, but many local housing and community development agencies are effectively using these tax credits to increase the supply of affordable housing in their communities. This topic is designed to provide a basic introduction to the LIHTC Program.

After completing the topic, you will be able to:

- Describe how housing tax credits work;
- Identify the basic eligibility requirements to participate in the program;
- Explain how housing tax credits are allocated; and
- Describe how developers syndicate tax credits in order to obtain up-front equity capital.

This topic will cover the following subjects:

- **How Do Housing Tax Credits Work?**
- **Allocating Housing Tax Credits**
- **Eligibility**
- **Syndication**

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