


**From:** [Drew Schaumber](#)  
**To:** [TaxCreditQuestions](#)  
**Subject:** [External] 2023 QAP Public Comment - 10% Test  
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SC Housing has advised that 2021 deals recycling credits for 2023 need to meet the 10% test by 12/31/2022. IRS notification 2022-05 gives extensions on the 10% test to 12/31/2022 for all 2021 allocations, however, if these deals recycle for 2023 credits then there would not be a 12/31/2022 deadline. According to the 2023 QAP, we can recycle 2021 credits for 2023 credits but not until 1/1/2023. While at NCHFA last week, I asked how NCHFA was handling this situation since they have similar language in their 2023 QAP about recycling credits. I was informed that NCHFA was sending correspondence to anyone with a 2021 award and telling them that NCHFA needed to know this November if that development was going to recycle for 2023 credits so that NCHFA could plan accordingly. NCHFA will not require 2021 deals recycling credits to meet the 12/31/2022 10% test.

I am requesting that SCSHFDA do not enforce a 12/31/2022 10% test deadline for deals recycling credits as those deals will no longer have a 2021 allocation once the credits are recycled.

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