

How is the extended use period on HTCs different in MN than federal law, and can you share the statute where the extended use requirements are laid out?

The initial 15 year compliance period and subsequent 15-year extended use period are established in [Section 42 of the Internal Revenue Code](#) that created the federal low income housing tax credit (HTC) program. While the policy has evolved over time, it is customary in most states to require applicants to agree to maintain the housing and related affordability for the full 30 year compliance period instead of just the first 15 years—the current requirement can be found in the [2024-2025 Qualified Allocation Plan](#) and [Self-Scoring Worksheet \(Page 5, Extended Duration\)](#). The affordability period must be recorded in a Declaration of Land Use Restrictive Covenants agreement (LURA). In the funding application process, applicants may choose to extend the affordability period to 40 or more years for additional points in the RFP process.