



**TENNESSEE DEPARTMENT OF REVENUE**  
**Affordable Housing**  
**Certificate of Contribution for Tax Credit**

RV-F1308901 (02/19)

**Part 1 - Business and Contribution Information (completed by contributor)**

Name of Financial Institution \_\_\_\_\_

Business Mailing Address \_\_\_\_\_

Contact Person and Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

Name of Parent Company (if applicable) \_\_\_\_\_

Tennessee Franchise and Excise Number \_\_\_\_\_

Type of Credit (check all that apply):

Qualified loan (2% below prime rate) or investment \$ \_\_\_\_\_ Date Approved \_\_\_\_\_

Select Desired Credit:

- 5% of the amount of the qualified loan or long-term investment
- 3% annually of the unpaid principal balance of the qualified loan

Qualified low-rate loan (4% below prime rate), grant, or contribution \$ \_\_\_\_\_ Date Approved \_\_\_\_\_

Select Desired Credit:

- 10% of the amount of the grant, contribution or qualified low-rate loan
- 5% annually of the unpaid principal balance of the qualified low-rate loan

By \_\_\_\_\_  
Signature
Print Name and Title
Date

**Part 2 - Eligible Housing Organization (completed by eligible organization) (check one)**

- Tennessee Nonprofit Organization     Entity Created, Controlled, or Subsidiary of Nonprofit     THDA
- Public Housing Authority (PHA)     Entity Created, Controlled, or Subsidiary of PHA     Development District

Name of Eligible Organization \_\_\_\_\_

Business Mailing Address \_\_\_\_\_

Contact Person and Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

Type of eligible activity (check all that apply):

Activities that create or preserve affordable housing

- Construction of single family and multi-family housing \$ \_\_\_\_\_
- Conversion \$ \_\_\_\_\_
- Rehabilitation \$ \_\_\_\_\_
- Acquisition \$ \_\_\_\_\_
- Land \$ \_\_\_\_\_
- Financing (e.g., through loan funds) \$ \_\_\_\_\_

Activities that help obtain housing

- Down payment assistance \$ \_\_\_\_\_
- Pre-purchase counseling \$ \_\_\_\_\_
- IDAs for homeownership \$ \_\_\_\_\_
- Supportive services tied to housing (including but not limited to services for the elderly, developmentally or mentally disabled, youth transitioning from foster care, homeless, and other targeted groups) \$ \_\_\_\_\_
- Deposits: Utilities and security \$ \_\_\_\_\_

Activities that build capacity

- Operational support \$ \_\_\_\_\_
- Investment in technology \$ \_\_\_\_\_
- Training (support for nonprofits providing training or receiving training) \$ \_\_\_\_\_
- Technological assistance (for nonprofits who provide for or fund those who need assistance) \$ \_\_\_\_\_

Other activities

- Emergency mortgage assistance \$ \_\_\_\_\_
- Home improvements for handling accessibility \$ \_\_\_\_\_
- Activities to help maintain housing and prevent homelessness \$ \_\_\_\_\_
- Post-purchase, foreclosure prevention counseling \$ \_\_\_\_\_
- Activities to promote public awareness about affordable housing \$ \_\_\_\_\_
- Research \$ \_\_\_\_\_

Eligible housing organization concurrence (completed by eligible organization)

To the best of my knowledge, I agree that the information contained in this form is true and correct and that the document has been fully authorized by the governing body of the eligible housing organization. I will comply with the program rules and regulations if certification is granted. I also confirm that I am aware that providing false information can subject the individual signing this document to criminal sanctions up to and including a Class B Felony.

By \_\_\_\_\_  
Signature Print Name and Title Date

Please include the following attachments before submitting the form to Tennessee Housing Development Agency (THDA):

1. Copy of 501(c)(3) designation letter from the IRS
2. Tennessee nonprofit organizations must attach a copy of a Certificate of Existence from the Tennessee Secretary of State's Office dated no more than 12 months prior to the date of application submission.
3. Briefly describe your proposed activity. Tell what you are going to do, where you are going to do it, who and how many will benefit, the income levels of the population to be served, how you will use the funds from the financial institution, and the expected timeframe for completion.

**FOR OFFICE USE ONLY**

Certification by THDA

Amount of eligible investment \_\_\_\_\_

Approved by \_\_\_\_\_  
Signature Print Name and Title Date

Certification by Department of Revenue

Amount of tax credit \$ \_\_\_\_\_ or \_\_\_\_\_ % annually of the unpaid principal balance

Approved by \_\_\_\_\_  
Signature Print Name and Title Date

## **Instructions: Affordable Housing Certificate of Contribution for Tax Credit**

### **Information**

Tenn. Code Ann. § 67-4-2109(h) provides that financial institutions may take a credit against their franchise and excise tax equal to either:

- Five percent of a qualified loan or qualified long-term investment made to an eligible housing entity for any eligible activity; or
- Three percent annually of the unpaid principal balance of a qualified loan made to an eligible housing entity for any eligible activity as of December 31 of each year for the life of the loan or 15 years, whichever is earlier.

Additionally, financial institutions may take a credit against their franchise and excise tax equal to either:

- Ten percent of a grant, contribution, or qualified low-rate loan made to an eligible housing entity for any eligible activity; or
- Five percent annually of the unpaid principal balance of a qualified low-rate loan made to an eligible housing entity for any eligible activity as of December 31 of each year for the life of the loan or 15 years, whichever is earlier.

In order to take the credit, the financial institution must maintain a certification from the Tennessee Housing Development Agency (THDA) establishing entitlement to the credit. The eligible housing entity receiving the funds must maintain such records as required by the THDA, to ensure that affordable housing opportunities are being provided.

The Community Investment Tax Credit is claimed on the franchise and excise tax Form FAE174, Schedule D. Any unused credit allowed under Tenn. Code Ann. § 67-4-2109 (h)(1)(A) or (h)(2)(A) may be carried forward for 15 years after the tax year in which the credit originated. Any unused credit allowed under subdivision (h)(1)(B) or (h)(2)(B) may not be carried forward beyond the tax year in which the credit originated.

### **Definitions**

Eligible activity - an activity that creates or preserves affordable housing for low-income Tennesseans, an activity to help low-income Tennesseans obtain safe and affordable housing, an activity that builds the capacity of an eligible nonprofit to provide housing opportunities to low-income Tennesseans, and any other activities approved by the Executive Director of the THDA and the Commissioner of Revenue

Eligible housing entity - a Tennessee nonprofit corporation with I.R.C. § 501(c)(3) status, including an entity created and controlled by such corporation, or a wholly-owned subsidiary of such corporation, that engages in eligible activity on behalf of such corporation; the THDA; a public housing authority, including an entity created and controlled by such authority, or a wholly-owned subsidiary of such authority, that engages in eligible activity on behalf of such authority; or a development district

Low-income - any individual or family at or below 80 percent of the applicable area median family income as determined by family size

Qualified loan - a loan that is at least two percent below the prime rate, as published by the Wall Street Journal at the time the loan is approved, that does not qualify as a qualified low-rate loan

Qualified long-term investment - an equity investment made for a period of more than five years to an eligible housing entity

Qualified low-rate loan - a loan that is at least four percent below the prime rate, as published by the Wall Street Journal at the time the loan is approved

### **Mailing instructions and contact information**

Mail the completed form and attachments to:

Tennessee Housing Development Agency, Andrew Jackson Building, Third Floor, 502 Deaderick St., Nashville, TN 37243.

Additional contact information can be found at <https://thda.org>.