

UNLOCKING HOMEOWNERSHIP

MAKING LIHTC AND ELECTIVE PAY WORK
FOR COOPERATIVE HOUSING



A REPORT BY THE NATIONAL
COOPERATIVE BANK AND NATIONAL
COOPERATIVE BUSINESS ASSOCIATION

JANUARY 2026





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EXECUTIVE SUMMARY

To address the nationwide housing crisis, this white paper outlines a framework and guidelines for implementing elective pay structures within cooperative housing organizations and highlights key challenges and opportunities.

The nation faces a housing crisis in every type of geography that hits lower income families especially hard. The crisis is one of affordability (ability to afford housing costs) and ownership (ability to purchase a home). Since 1986, one of the key federal policy interventions has been the Low-Income Housing Tax Credit (LIHTC) that was originally designed to provide more affordable housing, as well as more home ownership opportunities. While the policy has provided affordable rental access to 9.28 million low-income households over the decades, the way implementation has evolved has resulted in very few home ownership opportunities. Further, because of the way the tax credits and enforceability sunset over time, many properties risk transferring out of affordable housing soon, only exacerbating the affordable housing crisis. One strategy to address the financial barriers that low-income families face in attaining homeownership while preserving and creating new affordable housing stock is by adopting an Elective Pay mechanism for cooperative housing. Through a simple amendment of the tax code, policymakers could enact a strategy that would allow aspiring homeowners to use refundable tax credits when the project is converted to a shared ownership structure, such as housing cooperatives. This amendment to the Internal Revenue Code would enable hundreds of thousands of low-income families to unlock

the opportunities of home ownership, as well as ensure these properties would continue to stay affordable for future generations.

This white paper, “Unlocking Homeownership: Making LIHTC and Elective Pay Work for Cooperative Housing” outlines the comprehensive framework and guidelines for implementing elective pay structures within cooperative housing organizations. The paper addresses key challenges and opportunities in aligning member interests with sustainable financial practices. The paper emphasizes the importance of transparency, member engagement, and equitable distribution of resources. This paper includes a landscape of federal affordable housing initiatives, key tools for policymakers to use to address the affordable housing and homeownership crisis, and recommendations for allowing flexible pay options that cater to the distinct needs of a community. The document also highlights the roles of governance, compliance, and regular assessments to ensure the sustainability and growth of cooperative housing models. By focusing on collaboration and community-building, the report aims to foster a more inclusive approach to housing finance that empowers new homeowners and enhances their living conditions. This paper serves as a foundation for cooperatives, developers and policymakers to enhance existing federal programs that will unlock affordable homeownership development, ultimately contributing to the overall resilience and viability of affordable housing in America.

INTRODUCTION

HOW ELECTIVE PAY FOR SHARED EQUITY HOUSING CAN SERVE AS A CRUCIAL STRATEGY TO ADDRESS THE HOMEOWNERSHIP CRISIS

The United States faces a dual housing crisis: a rental affordability crunch and a deepening homeownership gap. Meanwhile, homeownership is a key driver of wealth. As of 2023, owner-occupied real estate accounted for slightly more than a quarter of households' net worth, according to Federal Reserve data.¹ Cooperative Housing creates more permanently affordable ownership opportunities.

While cooperative housing is a proven strategy to create financial stability and build wealth for low-income families, people who seek to develop cooperative housing do not have access to the primary federal program focused on developing affordable housing: the Low-Income Housing Tax Credit (LIHTC). LIHTC has been essential in creating millions of affordable rentals and successfully served 9.28 million low-income renters. Recent legislation has permanently increased the LIHTCs allocated to states by the federal government and decreased financing thresholds for developers. While that is a positive step in addressing the critical shortage in affordable rental housing, cooperatives, a long-established and time-tested model of affordable homeownership, are effectively cut off from the nation's primary vehicle for affordable housing development.²

The result of these different policy approaches is a significant imbalance:

- There are numerous tools to facilitate affordable rental housing. LIHTC, Section 8, public housing, and state/local rental subsidies.
- Fewer tools exist for affordable homeownership. Families lack access to capital and housing supply, especially in high-

cost markets. This lack of access has only been exacerbated by higher interest rates and programmatic cuts that have increased the strain on households and developers.

THE HOUSING CRISIS IS NOT JUST RENTAL AFFORDABILITY - IT IS FUNDAMENTALLY A CRISIS OF HOMEOWNERSHIP.

This white paper proposes a modernized approach: Elective Pay for Homeownership, a direct funding mechanism that empowers housing cooperatives to

access refundable tax credits from the U.S. Treasury. This policy would create permanently affordable, owner-occupied housing and rebalance federal support between rental and ownership opportunities. By amending the current tax code, Congress would:

- Expand the reach of the housing tax credits beyond rentals to support affordable housing cooperatives (Limited-Equity Cooperatives [LECs] and other Shared Equity Housing models with community-based entities).
- Use tax credits to ensure long-term, or even permanent, affordability.
- Create a new, healthy capital market for affordable homebuilding, addressing a shortage that began after the Great Recession.

A CRISIS OF HOMEOWNERSHIP

Congress first enacted Low-Income Housing Tax Credits (LIHTCs) in 1986 to incentivize the development of affordable housing. Early on, Congress envisioned that the program would provide a path to homeownership and affordability beyond 15-30 years. As part of the legal framework, this path would be

¹ "Introduction to U.S. Economy: Housing Market," Congressional Research Service, April 2025.

² "Equity and Ownership in Affordable Housing," Adam Cowing, *University of Illinois Law Review*, March 2024.

accomplished through tenant and cooperative purchases.³

Since then, 4 million rental properties have been developed using LIHTCs, making the program an almost mandatory financing mechanism that supports about 90% of affordable rental housing stock.⁴ While federal regulations require LIHTC properties to remain affordable for 30 years, owners don't need to file compliance reports beyond 15 years.

Over the past decade, demand for ownership has outpaced supply. Households that might have been able to afford to purchase a home have been forced into the rental market, intensifying demand for affordable rentals. While LIHTC has helped increase the number of affordable rental units, though not nearly enough to address the ongoing crisis, there are even fewer resources or options to support the financing of affordable homeownership.

COOPERATIVE HOUSING: A MISSED OPPORTUNITY

Housing cooperatives represent a well-established and effective model for affordable homeownership, yet they remain an underutilized and often overlooked resource in the broader effort to expand equitable homeownership.

STRUCTURE AND OWNERSHIP MODEL

Cooperative housing features a distinctive ownership structure. Residents collectively own a cooperative corporation that holds title to the entire property. Instead of owning individual parcels or units outright, each household owns shares in the co-op and receives a permanent proprietary lease that grants exclusive rights to

³ See I.R.C. § 42(g)(6) (stating that de minimis payments to a lessor to be held toward the purchase of a property shall not mean the property is treated as failing to be rental housing); I.R.C. § 42(i)(7) (stating that tax benefits allowable regardless of right of first refusal held by tenants or a qualified nonprofit); I.R.C. § 42(m)(1)(C)(viii) (stating that selection criteria in state qualified allocation plans must include projects intended for eventual tenant ownership).

⁴ <https://shelterforce.org/2023/12/08/the-only-tool-in-the-box-what-it-means-that-lihtc-dominates-affordable-housing/>

occupy their unit. Residents pay a pro-rata share of the cooperative's operating costs as well as any mortgage obligations the cooperative holds. This model combines community control through a democratically elected board of directors with individual housing stability, fostering both collective stewardship and personal investment in the property [1].

AFFORDABILITY AND LONG-TERM STABILITY

One of the key strengths of cooperative housing lies in its ability to preserve affordability over multiple generations. Units in affordable housing cooperatives are typically sold only to income-qualified buyers, ensuring that affordability is maintained across successive resales.⁵ In many cases, Limited Equity Cooperatives limit price appreciation to keep future prices lower than market values. Furthermore, ownership interests can be passed down to eligible relatives or other qualified buyers, which helps sustain affordable homeownership within the community. This multigenerational approach prevents rapid turnover due to market forces and protects against displacement of current residents.

INNOVATIVE AND MISSION- DRIVEN SUPPORTING MODELS

The cooperative model is often integrated with other affordability-preserving frameworks, such as shared equity community land trusts, which steward the land and maintain affordability in perpetuity. For example, nonprofits or community-based organizations may own the land while the cooperative corporation owns the buildings, enhancing the permanence of affordability. In such models, subsidy impacts are amplified as communities collectively share in home price appreciation under defined resale formulas that cap gains and thus prevent speculative price escalation. This blending of shared equity with cooperative ownership creates powerful mechanisms for maintaining long-term, accessible homeownership opportunities.

⁵ Depending on the cooperative's structure and bylaws (Limited Equity vs. Market Rate Housing Cooperatives)

HOW ELECTIVE PAY SOLVES THE PROBLEM

Elective Pay has proven to be a valuable mechanism for enabling cooperatives to access tax credits on par with other entities in a way that aligns with their not-for-profit, member-owned

HOUSING COOPERATIVES REMAIN AN UNDERUTILIZED AND OFTEN OVERLOOKED RESOURCE IN THE BROADER EFFORT TO EXPAND EQUITABLE HOMEOWNERSHIP.

structure. A recent example is the elective pay provision for energy tax credits, authorized through legislation passed by the 117th Congress (P.L. 117-167 and P.L. 117-169). Prior to these laws, rural electric cooperatives could benefit only indirectly from energy-related tax incentives. To monetize these credits, cooperatives had to form partnerships with eligible

entities—such as taxable project developers or tax-equity investors—and engage in complex arrangements like sale-leasebacks or power-purchase agreements.

Extending Elective Pay to Low-Income Housing Tax Credits (LIHTCs) would offer housing cooperatives similar direct cash refunds from the U.S. Treasury, thus eliminating the need for third-party owners and tax equity investors. This approach would remove the affordability cliff often seen in traditional LIHTC developments, ensuring that cooperative units built today remain affordable in the future. Preservation costs would decline, housing supply would stabilize, and families would have the opportunity to build equity.

By correcting market inefficiencies, Elective Pay LIHTCs would reintroduce capital for affordable homeownership development that would ultimately expand the supply of for-sale housing. This policy shift would grant cooperatives parity with traditional housing developers and open a sustainable pathway to homeownership for more Americans.



UNDERSTANDING ELECTIVE PAY TAX CREDITS

DEFINITION AND PURPOSE

Elective Pay is a monetization mechanism that provides cash payments from the U.S. Treasury equivalent to a tax credit. This mechanism provides not-for-profit entities such as local governments, nonprofits and cooperatives with an affordable homeownership financing option to meet the needs of their communities. Elective Pay would streamline projects while incentivizing additional investment and would allow residents served through rental housing programs to have the option of affordable homeownership.

A federal Elective Pay option would meet the urgent need to provide affordable housing and create an opportunity for more Americans to become homeowners. Such an option would lead to more housing development, more jobs and stronger economies.

BENEFITS OF ELECTIVE PAY FOR HOMEOWNERSHIP

There are many benefits to Elective Pay, including:

- **Permanent Affordability:** Affordable Housing Cooperatives lock in affordability indefinitely. Under current governing statutes, LIHTC provides an option rather than a guarantee for more permanent affordability once the credit expires.
- **Lower Costs and Faster Project Timelines:** Up front capital provided by elective pay helps streamline project development and eliminates syndication complexity, reducing fees and timelines.
- **Increased Homeownership Opportunities:** Elective Pay can significantly increase the availability of homeownership options, particularly for low-income families, by facilitating financing for permanently affordable cooperative housing projects.
- **Efficiency in Affordable Housing Programs:** Elective Pay would alleviate regulatory burdens encountered by cooperatives in accessing other affordable housing programs that make LIHTC eligibility a prerequisite.
- **Equal Access to Capital:** Elective Pay provides parity for cooperatives to access capital with other entities eligible for affordable housing programs and removes barriers associated with tax equity markets.
- **Community Reinvestment Act (CRA) Eligibility:** Lenders could receive the enhanced Community Reinvestment Act credit for lending to Elective Pay projects.



COMPARING LIHTC AND ELECTIVE PAY FOR HOUSING COOPERATIVES

OVERVIEW OF LIHTCS

The Low-Income Housing Tax Credit (LIHTC), which has been the major source of financing for low-income rental housing for decades, presents both challenges and opportunities for cooperative housing. While LIHTC properties are required to remain affordable for 30 years, regulatory compliance typically ends after 15 years.⁶ At that point—especially in high-demand rental markets—many for-profit developers convert these properties to market-rate units, creating affordability “cliffs” that necessitate expensive preservation efforts.

Since LIHTC does not support owner-occupied housing, legal and development professionals designed the leasehold cooperative to accommodate both LIHTC and many of the best features of housing cooperatives. This model, however, has proven difficult and insufficient as a scalable tool to meet the current affordable housing crisis. There is now a compelling opportunity to preserve affordability by enabling permanently affordable, resident-owned cooperative housing. Modest adjustments to LIHTC rules and processes could unlock a significant channel for permanently affordable community-based homeownership.

PURPOSE AND BACKGROUND OF LIHTC PROGRAM

The LIHTC program was designed to:

- Increase the supply of affordable housing for low-income families, seniors, and people with disabilities.
- Incentivize private investment in affordable rental housing development and rehabilitation.

⁶ Some states may require longer periods of affordability. California requires a 55-year affordability period.

- Promote community development and economic integration by spreading affordable housing across various regions.

THE LIHTC PATH

Policymakers can support the path to homeownership originally envisioned for the LIHTC rental program by supporting more not-for-profit affordable cooperative development through an elective tax credit.

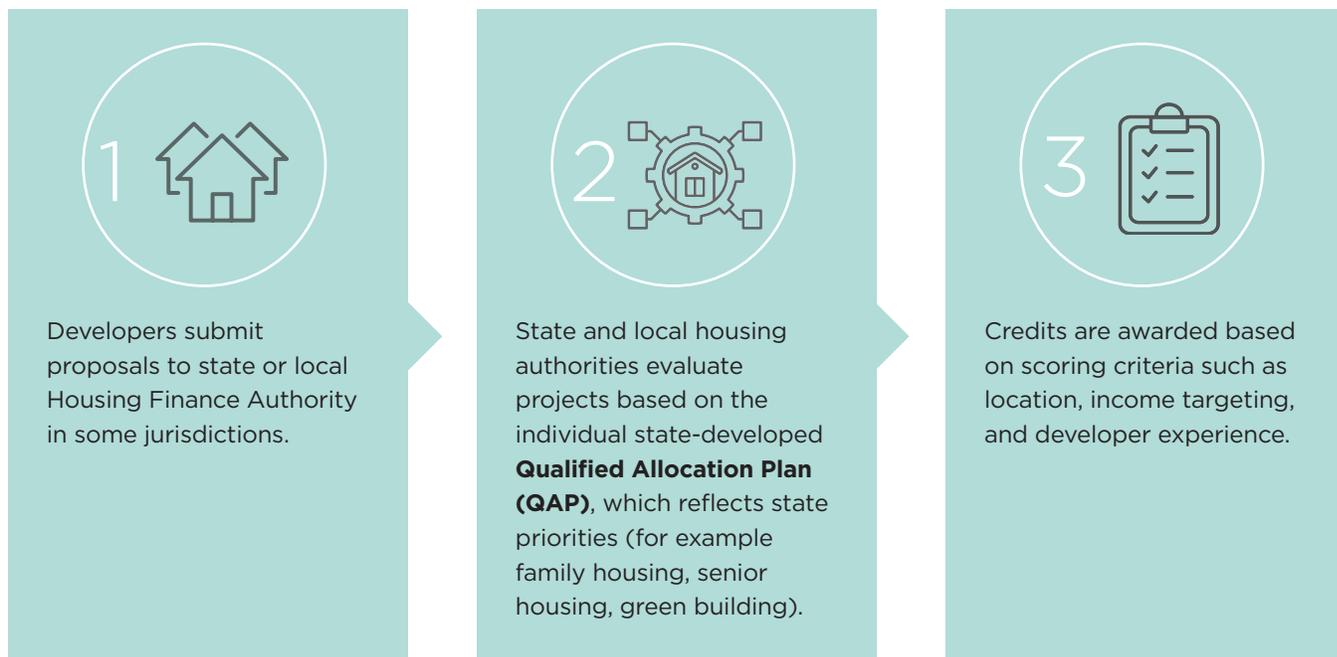
LIHTC MECHANISMS

Tax Credit Allocation

- **Federal Allocation:** The IRS allocates tax credits to state housing agencies based on population (adjusted annually). States then distribute credits to developers through a competitive process.
- **Two Types of Credit:**
 - 9% credit:** Covers approximately 70% of development costs; primarily used for new construction.
 - 4% credit:** Covers approximately 30% of development costs; requires the use of tax-exempt bond financing and is primarily used for acquisition of existing buildings including preservation of existing LIHTC properties.⁷

⁷ The One Big Beautiful Bill Act (P.L. 119-21), recently signed into law, provided a permanent 12% increase to the 9% credit and reduced the 4% credit bond financing threshold.

THE PROCESS FOR ACCESSING TAX CREDITS



APPLICATION AND AWARD

To Create Syndication and Financing:

- Awarded tax credits are typically sold to investors, usually via a syndicator or resource-pooling partnership, in exchange for equity financing.
- This equity reduces the amount of debt a project must carry, enabling **lower, more affordable rents**.

Under Federal Requirements:

- Projects must remain affordable for a **minimum of 15 years**, with a common extended use period totaling **30 years** or more. Of note, the IRS has no recourse to enforce affordability beyond the 15-year period. States may attempt enforcement, but their powers are limited.
- Rent and income limits are enforced (for example, tenants earn no more than 50–60% of area median income, and rents are capped accordingly).

THROUGH LIHTC:

- **Low-income households** gain access to quality, affordable rental housing.
- **State and local governments** have an additional mechanism to address housing shortages and revitalize communities. By leveraging LIHTCs, jurisdictions and partners further leverage other public financing vehicles.⁸
- **Developers and investors** receive financial returns via tax benefits and project cash flow.

⁸ “The Low-Income Housing Tax Credit”, Congressional Research Service, October 2019.

KEY COMPARISONS OF LIHTC WITH ELECTIVE PAY

FEATURE	TRADITIONAL LIHTC	ELECTIVE PAY OPTION FOR HOUSING COOPERATIVES
Funding Source	Private investors	IRS direct payment
Eligibility	Tax-paying entities	Housing cooperatives operating on a not-for-profit or Limited Equity or otherwise distribution restricted basis.
Ownership	Outside tax credit investors	Resident Shareholders of the cooperative
Complexity	High (multi-party process)	Lower (streamlined and elective)
Usage	Incentivize affordable rental development	Incentivize permanently affordable homeownership

OVERVIEW OF AFFORDABLE COOPERATIVES

Cooperatives have a rich history in this country that include agricultural co-ops, rural electric co-ops, credit unions, and many other sectors, including housing cooperatives. Affordable housing cooperatives have provided homeownership opportunities for nearly a century and currently provide housing ownership to 250,000 households⁹ in nearly every state. Variations in group requirements, financing options, and local regulations have led to innovative adaptations of the traditional model to fit local conditions.

Limits of Leasehold LIHTCS¹⁰

In limited cases, housing cooperatives have created a workaround to achieve marginal entry to the LIHTC program. In a traditional or “fee simple” housing cooperative, the cooperative corporation owns the land and building, and the residents of the cooperative have exclusive rights to occupy a unit in perpetuity, making them homeowners.

Due to the current limitations within LIHTC eligibility that prevent residents of a property developed under the program from being the holder of tax credits, the Leasehold Cooperative has provided a limited use case pathway for

cooperative financing through the program. In leasehold cooperatives, a third-party entity owns the land and buildings in fee simple and rents them as a whole to the cooperative corporation. Cooperative interests become interests in the corporation’s leasehold rights, rather than ownership of the building and land as provided in traditional housing cooperatives. Despite residents having an ownership stake in the cooperative corporation, they are unable to receive the benefits of homeownership, including tax benefits and tax equity.

⁹ Urban Homesteading Assistance Board, “Mapping Permanently Affordable Homeownership.” <https://www.uhab.org/national/>

¹⁰ “Home Base: The Playbook for Cooperative Development,” National Cooperative Bank Capital Impact, 2003.

HOW ELECTIVE PAY UNLOCKS HOMEOWNERSHIP OPPORTUNITIES FOR LOW-INCOME FAMILIES

Eligible cooperative projects, such as potential income-qualified housing cooperatives, are identified based on government entity requirements. The cooperative would satisfy all eligibility requirements for the tax-based affordable housing program as required by each state's Housing Finance Authority. After the project is approved by state or local governments, an eligible cooperative project claims the housing credit on their tax return with the IRS for the eligible tax year(s). The IRS then issues a refund to the entity, treating the credit as an overpayment of taxes.

REINVESTING IN SHARED-EQUITY MODELS COULD UNLEASH HALF A MILLION NEW HOUSING UNITS BETWEEN 2025-2034.

POSITIVE OUTCOMES OF ELECTIVE PAY

Elective Pay Tax Credits for Housing Cooperatives would enhance the existing LIHTC program by providing a pathway to affordable homeownership for low-income families. Recent data shows that augmenting federal housing programs, such as LIHTC and CRA, and reinvesting in shared-equity models could unleash half a million new housing units between 2025-2034.¹¹ The list below provides recommendations for implementation and ideas for scalability across states and localities

- While the LIHTC program has been successful in creating affordable rental housing at scale, Elective Pay for Housing Cooperatives would be a more efficient pathway to scale ownership cooperatives.
- Elective Pay Tax Credits for Housing Cooperatives would allow new construction, conversion, and preservation of permanently affordable cooperative housing homeownership.
- Elective Pay could be used to preserve expiring LIHTC properties as permanently affordable cooperative homeownership.
- Incentives provided by the Community Reinvestment Act (CRA) would allow banks to receive credit under both investment and lending tests and unlock additional private capital with lower risks than LIHTC Equity. Loan portfolios that are compliant with the CRA could improve access to financing for affordable housing developers.

¹¹ Investing in Housing: Unlocking Economic Mobility for Black Families and All Americans



CONCLUSION

The nation has invested billions in affordable rentals. That must continue. Yet to solve today's housing crisis, policymakers must also address the crisis of affordable homeownership. Elective Pay for homeownership offers a permanent, efficient, and scalable solution where:



Families achieve ownership, not just pay rent.



Cooperatives and shared equity models access capital directly.



Homes remain affordable for future generations.



Banks and investors participate under CRA without unnecessary risk.

It is time to balance the scales. LIHTC will continue to serve renters. Elective Pay should now serve homeowners. Together, they can provide a full spectrum of affordable housing solutions for America's communities.

APPENDICES

GLOSSARY OF KEY TERMS

Housing cooperative: A form of homeownership where the resident members own a corporation that owns the building where they live. Each member household owns shares in the co-op and enters into a permanent proprietary lease on a unit and pays a share of the operating costs and mortgage. Sales of the units (shares) in an affordable housing cooperative may be restricted to low-income residents and can be passed down to income-qualified relatives. In many cases Limited Equity Cooperatives limit price appreciation to keep future prices lower than market values.

LIHTC Tax Equity: Funds generated from the monetization of tax credits.

Tax Liability: The amount an investor or developer must pay in taxes based on their amount of taxable income, derived from total income minus applicable tax deductions and/or credits.

Tax Equity Financing or Monetization: The method by which investors or developers convert tax credits into cash.

Syndication: A method of selling tax credits, along with the property in question, to monetize the tax credits.

Refundability: Non-refundable tax credits can only be monetized (or converted to cash) if an investor or developer has sufficient tax liability. Refundable tax credits allow the recipient to monetize the credit regardless of how much they owe in taxes by filing their tax return and getting a refund, even if it is greater than their tax liability. The Treasury refers to these refunds as Elective Payments.

Community Land Trust (CLT): A non-profit that is established to own the land under properties that allows those properties to remain permanently affordable, often through 99-year leases, and restricts the growth of resale prices and the income eligibility of new homeowners. Since land is not part of the basis for LIHTC, a CLT owning the land is not a problem with LIHTC.

SUMMARY OF IRS PROCESS TO CLAIM AN ELECTIVE PAY HOUSING CREDIT

1. Project Planning and Application

- The developer prepares a project proposal that meets LIHTC eligibility criteria (e.g., location, cost, affordability levels) and submits the application to the state housing credit agency under the state's QAP.
- The agency reviews and competitively allocates credits to selected projects.
- The allocation includes a reservation of credits with a binding commitment that the developer must meet.

2. Meeting Minimum Set-Aside and Eligibility Tests

- The project must commit to a set-aside, for example:
- **20/50 test:** at least 20% of units are occupied by tenants \leq 50% of Area Median Gross Income (AMGI); or
- **40/60 test:** at least 40% of units are occupied by tenants \leq 60% of AMGI.
- A newer "average income test" is also available in certain cases.
- Units must satisfy gross monthly fee limitations (not to exceed 30% of qualifying income levels) for the tax credit units.

3. Establishing Basis, Qualified Basis, and Credit Amount

- Determine the eligible basis (project cost basis eligible for credit) and then multiply by the applicable fraction (portion attributable to low-income units) to get qualified basis.
- Apply the applicable credit rate (either ~9% or ~4%, depending on project characteristics) to the qualified basis to compute the annual credit.
- The credit is generally claimed over 10 years.

4. Issuance of IRS Certification / Form 8609

- Once the building is placed in service, the state housing agency issues Form 8609 (Allocation and Certification) for each building in a project.
- The developer or owner must attach parts of Form 8609 to their tax returns in the years credits are claimed.

5. Claim the Credit on the Federal Tax Return

- Use Form 8586 (Low-Income Housing Credit) to compute and report the credit allowed for the year.
- Include the relevant portions of Form 8609 (certification) and maintain documentation of compliance.
- The credit reduces federal income tax liability dollar-for-dollar.

6. Ongoing Compliance & Monitoring

- For the compliance period (minimum 15 years, with extended obligations often up to 30 years or more), the owner must ensure:
 - Tenant incomes remain within eligibility thresholds
 - Rents for credit units stay within limits
 - Annual certification and recordkeeping
 - Inspections or audits by the allocating agency or IRS
 - Timely reporting of noncompliance or building disposition (via Form 8823)
- If the project fails compliance or is disposed prematurely, recapture rules may require repayment (or reduction) of credits claimed.

ABOUT THE PARTNERS



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National Cooperative Bank (NCB) is the only bank in the United States dedicated to delivering nationwide banking products and solutions to cooperatives and other member-owned organizations to help communities thrive. NCB's mission is to support and be an advocate for America's cooperatives and their members, especially in low-income communities, by providing innovative financial and related services.

NCB has an uncommon mandate to ensure our efforts benefit those most in need, supporting low-income communities and the expansion of cooperative initiatives. With this guiding principle, we contribute to the building blocks of sustainable communities: investing in clean energy, small businesses and affordable housing, expanding access to healthy food and affordable health care, plus much more.



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The National Cooperative Business Association CLUSA International (NCBA CLUSA) is the apex association for cooperative businesses in the United States and an international development organization. Founded in 1916, NCBA CLUSA strives to advance, promote and protect cooperative enterprises through cross-sector advocacy, education and public awareness that help co-ops thrive, highlighting the impact that cooperatives have in bettering the lives of individuals and families.

Internationally, NCBA CLUSA has worked in over 100 countries building sustainable communities, creating economic opportunities and strengthening cooperatives. Our work focuses on an approach that empowers smallholder farmers, women, and youth in the areas of food security, agricultural development, strengthening of communities and farmer organizations, community-based health and natural resources management.

7 COOPERATIVE PRINCIPLES

VOLUNTARY AND OPEN MEMBERSHIP

Anyone can join a co-op—they don't discriminate based on gender, social, racial, political or religious factors.

DEMOCRATIC MEMBER CONTROL

Members control their business by deciding how it's run and who leads it.

MEMBERS' ECONOMIC PARTICIPATION

All co-op members invest in their cooperative. This means people, not shareholders, benefit from a co-op's profits.

AUTONOMY AND INDEPENDENCE

When making business deals or raising money, co-ops never compromise their autonomy or democratic member control.

EDUCATION, TRAINING AND INFORMATION

Co-ops provide education, training and information so their members can contribute effectively to the success of their co-op.

COOPERATION AMONG COOPERATIVES

Co-ops believe working together is the best strategy to empower their members and build a stronger co-op economy.

CONCERN FOR COMMUNITY

Co-ops are community-minded. They contribute to the sustainable development of their communities by sourcing and investing locally.



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