



Oregon

Theodore R. Kulongoski, Governor



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Re: Student Rule Revised – Effective 12/20/07

On December 20, 2007, the President signed into law the Mortgage Forgiveness Debt Relief Act of 2007, H.R. 3648. Included within this law is clarification regarding the student rule and single parents with children who apply to reside in Tax Credit properties.

Before this law was enacted, single parents with children (all full-time students) did not qualify to live in Tax Credit properties if one or more of the household members could be claimed on the tax return of a third party.

With the signing of this law, effective immediately (for past, present, and future LIHTC allocations), a household comprised of a single parent and his/her children can be full-time students and still qualify for housing in Tax Credit units if:

1. The single parent is not being claimed on the tax return of a third party, and
2. The children are not being claimed as dependents on the tax return of a third party (other than a parent). The children can only be listed on the tax return as dependents of the parent they live with (in the unit) **or the absent parent** (outside of the unit).

Please note that the on-line LIHTC Manual provided by OHCS will be updated to include this clarification at a later date. Specifically, to clarify the affected section on page 15, "Exemptions of Student Status" (second bullet point).

If you have questions regarding H.R. 3648 and how it affects Student Rules, please contact your assigned Compliance Officer.

Sincerely,

Program Analysis and Enforcement Section