**Section 355.205 Approval or Rejection by Agency**

a) Upon an Agency's completion of its review of an Application, the Agency shall notify the Sponsor in writing of its approval or rejection of the Application.

b) Upon the approval of an Application, the Agency shall issue a Reservation Letter conditionally reserving Affordable Housing Tax Credits. The amount of the Affordable Housing Tax Credits reserved shall be 50% of the amount of the approved amount of the Donation or the actual Donation, whichever is less.

c) The Reservation Letter shall set forth the terms and conditions upon which the Affordable Housing Tax Credits will be allocated to the Project, including, but not limited to:

1) Certification from the Sponsor to the Agency that the Sponsor and the Project is or will be in full compliance with the requirements of Section 7.28 and this Part and will continue to be in compliance during the Compliance Period;

2) Certification from the Sponsor to the Agency that there will be no material change in the Sponsor, the Sponsor's ownership structure, the ownership structure of the Affordable Housing Project, or the structure of the Project without the prior written approval of the Agency; and

3) If applicable, execution of either a Regulatory Agreement, as required by Section 355.207 of this Part, or one or more Recapture Agreements, as required by Section 355.404 of this Part.

d) The Sponsor shall have 12 months from the date of the Reservation Letter to obtain a Donation. However, Affordable Housing Projects and Employer-Assisted Housing Projects may submit a written request for an extension of an additional 12 months as approved by the Agency in the Agency's discretion; provided, however, that the Sponsor shall pay the fee for the extension as set forth in Section 355.106 of this Part. If the extension is not granted, the Sponsor may re-apply for the Affordable Housing Tax Credits or the Affordable Housing Tax Credits may be reserved or allocated to other Projects. For Technical Assistance, the Sponsor shall have 12 months from the date of the Reservation Letter to obtain a Donation.

(Source: Amended at 34 Ill. Reg. 15822, effective September 28, 2010)