

CASUALTY LOSS

What is it?



- A casualty loss is defined as the damage, destruction, or loss of property resulting from an identifiable event that is *sudden*, *unexpected*, or *unusual*.

CASUALTY LOSS Cont.

A sudden Event =

- one that is swift
- not gradual or progressive

An unexpected event =

- ordinarily unanticipated
- unintended

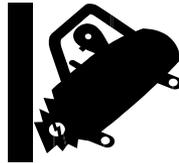
CASUALTY LOSS Cont.

An unusual event =

- ❖ not a day-to-day occurrence
- ❖ not typical for low income housing credit properties

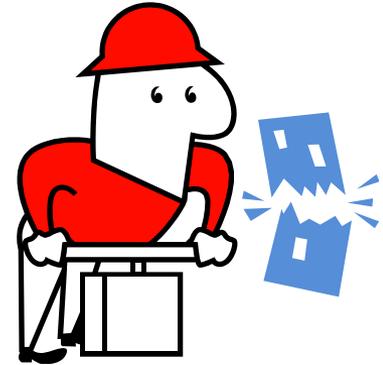
Examples of CASUALTY LOSS

✓ Car accidents



✓ Fires

✓ Government-ordered demolitions



✓ Hurricanes

✓ Mine cave-ins

✓ Sonic booms



✓ Storms



✓ Vandalism

✓ Flooding



What is not considered Casualty Loss?

- Deferred Maintenance
- Willful or negligent actions of owner
- Normal wear and tear of property

How is Casualty Loss Reported?

- On form 8823

Does it result in the loss of Credits?

IF THE UNIT IS NOT SUITABLE FOR OCCUPANCY ON 12/31 OF THE YEAR THE CASUALTY LOSS WAS REPORTED IT COULD RESULT IN THE LOSS OF CREDITS.

When will the Division report it?

1. When it is reported to us by owner
2. If we see or hear about it through other sources, TV, newspaper or other news media
3. If we learn of it through resident
4. If we find out at time of monitoring visit, even if it has been restored