

# **CHIP FAQs - Debt**



### What is the timeline for incurring CHIP eligible debt?

Sponsors may incur debt eligible for tax increment financing for a period of up to five years following creation of the housing development site. VEPC may extend this for up to three years.

### Is the 5 years for incurring debt based on a calendar year or the municipality's fiscal year?

Calendar year.

For example, if the CHIP starts 04/01/26, the municipality has until 03/30/31 to incur debt.

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Publication Date

05/20/2026

