



DATE: May 4, 2009

TO: 2009 LIHTC Applicants

FROM: Multifamily Housing Group

RE: WHEDA 2009 LIHTC Administrative Changes

WHEDA's Executive Director has directed the WHEDA Multifamily staff to initiate the following to better facilitate the administration of the 2009 LIHTC Competitive Credit:

1. Require a tax credit equity letter of intent and 2.5% fee 60 days from Reservation Date.

WHEDA recognizes the shortage of investment capacity in the equity markets, and understands not all awardees may find a willing investor. Rather than tie up this valuable resource for the full 120 days until Carryover submittal, WHEDA is requiring applicants to maintain their Reservation status by showing legitimate equity investment interest (minimum price of \$0.60). Applicants failing to do so will rescind their Credit and the Credit will be offered to applicants on hold. Applicants with Reservations so rescinded may be eligible to compete for "Direct Grants" funding under ARRA. The guidelines for such competition have not yet been published, and will be subject to determination by HUD and the U.S. Treasury. If WHEDA guidance regarding ARRA gap financing and Exchange is not released by July 1, WHEDA may elect to extend or revise this "60 day requirement".

WHEDA believes this approach will maximize the extent to which Credit can be usefully deployed in 2009.

Applicants successfully maintaining their Reservation will be required to submit fees of 2.5% with their Carryover Agreement, rather than the usual 5%.

2. Eliminate Competitive Credit Round Four.

WHEDA originally contemplated four Credit rounds throughout 2009. Due to the high demand WHEDA has experienced thus far, an additional Round Four will serve no useful public purpose. There is sufficient demand to award all remaining Credit. Round Three applications are due no later than June 15, 2009.

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Below is an estimation of Credit remaining after Round One. WHEDA has received eighteen Round Two applications requesting in excess of 15 million dollars.

Disaster Credits	Credit Remaining
General Set Aside	\$0
Non Profit Set Aside	\$0
Preservation Set Aside	\$19,139
Rural Set Aside	\$2,608,691
Supportive Housing Set Aside	\$47,564
Reserve	\$1,532,044
Per Capita Credits (Non Disaster)	
General Set Aside	\$0
Non Profit Set Aside	\$778,483
Preservation Set Aside	\$1,549,400
Rural Set Aside	\$462,631
Supportive Housing Set Aside	\$750,853
Reserve	\$0