

# Chapter 14

## LIHTC/Affordable Housing

**Moderator:**

Charley Conkling, *Chief Underwriter | Walker & Dunlop*

**Panelists:**

Ken Doresky, *Senior Underwriter/Acting Program Officer – Affordable Programs | HUD Minneapolis*

Joseph McNealy, *Underwriting Branch Chief | HUD Boston*

Michael Bisanz, Jr., *Deputy Chief Underwriter | Dougherty Mortgage*

Kent Neumann, Esq., *Founding Member | Tiber Hudson*



# Chapter 14

## LIHTC/Affordable Housing

- LIHTC Production/221(d)(4) Pilot – Ken and Joe
- 2019 Achievements / 2020 Initiatives including new MAP Guide Ch. 14 Changes – Mike
- Financing Structures for Affordable Housing Transactions - Kent
- Q&A - All



# FY 2019 & YTD 2020 LIHTC Prod. Data, Pilot Data, Chapter 14 & Opportunity Zones

Ken Doresky and Joseph McNealy

Housing Program Officer and Underwriting Branch  
Chief

Office of Multifamily Production



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# FY2019 LIHTC Firms Issued/Reissued Basic FHA & Risk Share

FY 2019	FY 2018	FY as % of Prior FY
259	339	76%
\$3.45 bn	\$4.02 bn	86%



# FY2019 - LIHTC Firms Issd./Reissd., Basic FHA & Risk Share as % of All Firm

Firm  
Commitments  
Issued:

FY 2019 - All	FY 2019- LIHTC	% LIHTC
740	259	35%

Loan Volume:

FY 2019 - All	FY 2019- LIHTC	% LIHTC
\$13 Billion	\$3.45 B	26%

# FY 2019 LIHTC Firms Issd./Reissd., Basic FHA and Risk Share- Volume

SOA	Firms	4% LIHTC	9% LIHTC	Units	Total Mortgage
221(d)(4) NC	41	9	32	5,337	\$472,702,500
221(d)(4) SR	51	30	21	7,762	\$713,718,500
220	1	1	0	148	\$27,609,200
231	2	1	1	282	\$18,921,600
223(f)	85	23	62	12,174	\$964,542,019
223(a)(7)	2	0	2	535	\$38,180,700
542(c)	77	39	38	9,646	\$1,215,036,155
<b>Totals</b>	<b>259</b>	<b>103</b>	<b>156</b>	<b>35,884</b>	<b>\$3,450,710,674</b>



# FY 2019- LIHTC Firms Issd./Reissd., Basic FHA & Risk Share - by Region

SOA	Firms	NE	SE	MW	SW	W
221(d)(4) NC	41	8	17	2	14	0
221(d)(4) SR	51	14	16	11	3	7
220	1	0	0	1	0	0
231	2	0	1	0	1	0
223(f)	85	13	20	22	11	19
223(a)(7)	2	2	0	0	0	0
542(c)	77	53	0	15	0	9
<b>Totals</b>	<b>259</b>	<b>90</b>	<b>54</b>	<b>51</b>	<b>29</b>	<b>35</b>



# FY 2019 LIHTC Firms Issd./Reissd., Basic FHA– Timeframes\*

SOA	Firms	DAS Goal	Average Days
221(d)(4) NC	41	60	97
221(d)(4) SR	51	60	88
220	1	60	65
231	2	60	88
223(f)	85	45	67
223(a)(7)	2	30	30

\*Includes days in preliminary reject status and the 37-day Government Shutdown (12/22/2018 – 01/28/2019)



# FY 2019 LIHTC Endorsements, Basic FHA & Risk Share

FY 2019	FY 2018	FY 18 as % of Prior FY
205	304	67%
\$2.42 bn	\$3.56 bn	68%



# FY 2019 NE Region LIHTC Firms Issd./Reissd. Basic FHA and Risk Share- Volume

SOA	Firms	4% LIHTC	9% LIHTC	Units	Total Mortgage
221(d)(4) NC	8	2	6	825	\$108,894,600
221(d)(4) SR	14	9	5	2,157	\$202,141,700
223(f)	13	5	8	1,868	\$165,753,200
223(a)(7)	2	0	2	535	\$38,180,700
542(c)	53	33	20	7,398	\$1,031,014,155
<b>Totals</b>	<b>90</b>	<b>49</b>	<b>41</b>	<b>12,783</b>	<b>\$1,545,984,355</b>



# 1st Quarter 2019 vs. 1<sup>st</sup> Quarter 2020 Volume Comparison 221(d)(4) & 223(f)

SOA	2019 1 <sup>st</sup> Quarter Firms	2019 1 <sup>st</sup> Quarter Mortgage Volume	2020 1 <sup>st</sup> Quarter Firms	2020 1 <sup>st</sup> Quarter Mortgage Volume
221(d)(4) NC	13	\$112,484,500	10	\$161,073,500
221(d)(4) SR	18	\$293,825,000	25	\$381,706,000
223(f)	26	\$362,001,800	25	\$368,899,358
<b>Totals</b>	<b>57</b>	<b>\$768,311,300</b>	<b>60</b>	<b>\$911,678,858</b>



# YTD 2020\* NE Region LIHTC Firms Issd./Reissd. Basic FHA and Risk Share- Volume

SOA	Firms	4% LIHTC	9% LIHTC	Units	Total Mortgage
221(d)(4) NC	3	1	2	300	\$56,322,800
221(d)(4) SR	5	5	0	827	\$93,050,000
223(f)	5	4	1	766	\$140,436,358
223(a)(7)	3	3	2	462	\$44,633,800
542(c)	12	9	3	2,930	\$564,796,000
<b>Totals</b>	<b>28</b>	<b>21</b>	<b>7</b>	<b>5,285</b>	<b>\$899,238,958</b>

\*As of 01/31/2020

# LIHTC Pilot Update\*

221(d)(4) LIHTC Pilot	Track	Firms	Avg. Days **	Mortgage Volume	Units	Endorsements
FY 2019	Expedited	3	29	\$30,028,100	318	2
	Standard	0	0	\$0.00	0	0
<b>Totals</b>		<b>3</b>		<b>\$30,028,100</b>	<b>318</b>	<b>2</b>
YTD 2020	Expedited	4	27	\$30,394,500	318	3
	Standard	4	65	\$33,361,800	433	0
<b>Totals</b>		<b>8</b>		<b>\$58,756,300</b>	<b>751</b>	<b>3</b>

\*As of 02/19/2020

\*\*Includes days in preliminary reject status.

# LIHTC Pilot Flexibility - Case by Case

- Benson's Corner, 221(d)(4) NC – 89.28% Affordable. Threshold is 90%. Allowed to proceed via Pilot. NE Region.
- Amorce I, 221(d)(4) SR – Floodplain. Due to the 8-Step being complete prior to application, the project was accepted into the Expedited Track. Otherwise, would have been eligible for Standard Track. Midwest Region.



# LIHTC Pilot Flexibility - Case by Case

- Mountain Park Villas, 221(d)(4) SR – SE Region – The project is currently in the Concept stage. LTC is estimated at 76.13%. The LTC Threshold is 75%. Provided the project meets the other eligibility criteria, Headquarters agreed to allow the project to proceed under the Pilot with a maximum LTC of no more than 80%. Pending Concept Meeting in Atlanta.



# MAP Guide – Chapter 14 Highlights

- 14.10. Initial Operating Deficit (IOD) – Timing of the IOD was changed to the point in time that HUD signs the Permission to Occupy, form HUD-92485 (Substantial Completion) rather than at Initial Endorsement.
- 14.10. Working Capital Escrow – Eliminated the requirement of a Working Capital Escrow (without a HUD-2 Waiver) for Substantial Rehab projects with 90%+ Section 8 and 90%+ LIHTC when the Lender can demonstrate there will be sufficient income generated by the property during the rehab period to cover items typically funded by the Working Capital Escrow and when Interim Income is not being used as a source of financing.





# MAP Guide – Chapter 14 Highlights

- 14.12.E. Allowed Deferred Developer Fee as eligible debt in a refinancing (except in a 223(a)(7)), subject to conditions.
- 14.13. Reduced the initial 20% LIHTC Equity Pay-In from a hard 20% Equity to a minimum of 10% Equity with the other 10% provided via Equity Bridge Loan proceeds.
- 14.14.E. EBL Repayment. Extended the Equity Bridge Loan repayment requirements to one year after Final Endorsement for a 221(d)(4) or one year after the repair period for a 223(f).
- Overall, there were several clarifications and minor changes.



# FY 2019 & YTD 2020\* – Opportunity Zone Projects

SOA	Firms	Units	Total Mortgage
221(d)(4) NC	14	2,656	\$585,729,930
221(d)(4) SR	8	1,399	\$142,832,700
223(f)	20	3,002	\$339,721,958
<b>Totals</b>	<b>42</b>	<b>7,057</b>	<b>\$1,068,284,588</b>

\*As of 03/02/2020

# FY 2019 & YTD 2020\* – Opportunity Zone Projects

SOA	Firms	NE	SE	MW	SW	W
221(d)(4) NC	14	5	4	2	1	2
221(d)(4) SR	8	1	3	1	3	0
223(f)	20	9	4	3	0	4
<b>Totals</b>	<b>42</b>	<b>15</b>	<b>11</b>	<b>6</b>	<b>4</b>	<b>6</b>

\*As of 03/02/2020

# FY 2019 & YTD 2020\* – Opportunity Zone Projects

SOA	Firm Commitments	Broadly Affordable	Affordable	Green/Market
221(d)(4) NC	13	0	1	13
221(d)(4) SR	8	4	2	2
223(f)	18	14	3	4
<b>Totals</b>	<b>42</b>	<b>18</b>	<b>6</b>	<b>20</b>

\*As of 03/02/2020

Questions?

Contact [Ken.P.Doresky@hud.gov](mailto:Ken.P.Doresky@hud.gov)



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Refer to PDFs of the LIHTC PILOT  
CASE STUDY in the ELA App



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# MBA LIHTC Committee Completed & Current Committee Initiatives

Michael Bisanz, Jr., *Deputy Chief Underwriter | Dougherty  
Mortgage*



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# Completed Initiatives

2017 through 2020



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# Completed Initiatives 2017 to 2020

## 1. Pledge of GP Interest for Equity Bridge Loan

- *Impact: Keeping equity bridge loans available as an option; provides additional security to EBL lender, which is already considered "thin."*
- *Source: March 8, 2017 Bob Iber Memo; included in MAP Guide revisions.*

## 2. Waivers of 2.5% Latent Defect for LIHTC Heavy 223(f)s

- *Impact: Saves tens of thousands of dollars in transaction costs.*
- *Source: LIHTC conference call with HUD, regional offices provided guidance on March 2018; included in MAP Guide revisions.*

## 3. Waiver of Working Capital for Tenant-in-Place Rehab

- *Impact: Saves hundreds of thousands of dollars in transaction costs with minimal risk.*
- *Source: LIHTC conference call with HUD; included in industry MAP Guide revisions.*

## 4. LIHTC Wheelbarrow 2.0

- *Impact: Easier to use, saves time.*
- *Source:  
[https://www.hud.gov/program\\_offices/housing/mfh/map/maphome/tax\\_credit](https://www.hud.gov/program_offices/housing/mfh/map/maphome/tax_credit)*



# Completed Initiatives 2017 to 2020

5. **Deferred Developer Fee – No longer required by HUD to be evidenced as Surplus Cash Note**
  - ▶ *Impact: Ease, less documents, aligns with majority of industry.*
  - ▶ *Source: November 5, 2018 Pat Burke Memo; included in MAP Guide revisions.*
6. **MAP Guide Revisions of Ch. 14 and Affordable-Related Chapters**
  - ▶ *Impact: Clean up, capture recent changes, best practices, conform to industry standards.*
  - ▶ *Update: LIHTC Committee issued comments in November 2019 and is working through the revisions with HUD.*
7. **221(d)(4) Pilot and Q&As**
  - ▶ *Impact: Faster processing, saves time and money, better experience.*
  - ▶ *Source: HN 2019-03 released on February 21, 2019, Q&A #1 issued March 13, 2019 Q&A#2 issued May 3, 2019.*
8. **DDF Memo Correction – When treated as equity, repayment of DDF is NOT limited to 75% of Surplus Cash**
  - ▶ *Impact: Allows faster repayment of DDF.*
  - ▶ *Source: Memo re-issued on March 22, 2019.*



# Completed Initiatives 2017 to 2020

## 9. Pilot Concept Meeting Early Deliverable Checklist

- *Impact: Standardization for consistency among all regions.*
- *Source: Distributed to lenders and posted at HUD website; checklist items are just a guide, not absolute requirements.*

## 10. Opportunity Zone Underwriting Training for HUD Underwriters

- *Source: Required per HN 2019-07 for HUD Designated UW'ers; held July 11, 2019 for HUD.*

## 11. Section 811 Capital Advance Grant Notice

- *Source: HUD received an allocation through the Fiscal Year 2018 and 2019 appropriations of approximately \$112.7 million for capital advance and project rental assistance. There has been no capital advance funding for the program since 2011. The allocations are specific for use in providing rental assistance and/or capital for the development of affordable rental housing units for persons with disabilities. A Notice of Funding Availability published in Summer 2019.*

## 12. Chapter 14.16.C – Automatic Termination of EBL Upon Foreclosure / Deed In Lieu

- *Impact: Provides more security to bridge lender by keeping guarantees outstanding; aligns with industry practice.*
- *Source: Included in new MAP Guide Chapter 14.14.C – EBL docs shall be "discharged" and FHA Borrower released of all obligations with respect to EBL.*



# Completed Initiatives 2017 to 2020

## 13. Term of Deferred Developer Fee Note

- *Impact: If evidenced as debt, term of Deferred Developer Fee must be less than 15 years to be considered part of eligible basis due to IRS Requirements.*
- *Source: Included in new MAP Guide Chapter 14.12.D. HUD no longer requires DDF to be documented on HUD's form of Surplus Cash Note.*

## 14. Extension of Repayment Deadline for Equity Bridge Loan

- *Impact: Later repayment potentially increases tax credit pricing.*
- *Source: Included in new MAP Guide Chapter 14.14.E. Repayment is the earlier of 8609 or 1 year after Final Endorsement for 221(d)(4) and earlier of 8609 or 1 year after the end of the repair period for 223(f).*

## 15. Reduction of Hard Equity Required at Closing

- *Impact: Reducing equity required at closing potentially increases tax credit pricing and aligns HUD programs with Fannie and Freddie.*
- *Source: Included in new MAP Guide Chapter 14.13. 10% hard equity and 10% EBL allowed at closing.*

## 16. Income Averaging Added to Definition of Affordable Housing

- *Impact: Aligns HUD's definition of "affordable housing" with current Section 42 requirements.*
- *Source: To be included in Chapter 3 of new MAP Guide (per HUD feedback).*



# 2020 MAP Guide – Chapter 14

Additional Improvements Based on LIHTC Committee  
Comments



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# 2020 MAP Guide – Chapter 14

## 1. Chapter 14.10.B – Use of Contingency Funds

- *More flexibility allowed on use of contingency funds.*
  - *Removed language that requires contingency funds from LIHTC projects not used to reduce the mortgage to be placed in escrow.*
  - *Clarification that unused contingency can be used to pay developer fee and other project expenses.*

## 2. Chapter 14.10.D – Funding of Initial Operating Deficit

- *Initial Operating Deficit may be funded after Initial Endorsement but no later than the execution of the Permission to Occupy (Form HUD-92485).*
  - *Will reduce additional interest associated with funding the reserve at Initial Endorsement.*
  - *Allows more equity to be used for project costs and reduces need for Equity Bridge Loan.*

## 3. Chapter 14.11.A – Public and Quasi-Public Subordinate Debt

- *Expanded definition of public and quasi-public subordinate debt to include not-for-profit debt.*
  - *Subordinate debt from non-profit entities will no longer be subject to 92.5% LTV threshold.*

## 4. Chapter 14.11.A.6 – Private Subordinate Debt

- *Clarification that private subordinate debt is allowed for LIHTC transactions.*
  - *Applies to Section 221(d)(4) and Section 220.*



# 2020 MAP Guide – Chapter 14

## 5. Chapter 14.13 – Use of Initial Equity Installment

- *Flexibility on use of initial 20% equity installment.*
  - *HUD will no longer require that the 20% equity installment be fully-disbursed at Initial Endorsement if there is not a corresponding use of funds.*
  - *Equity must be disbursed from the equity investor – provides flexibility on where the money is disbursed*



# Current Initiatives

2020 -



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# Current Initiatives

## 1. 2020 MAP Guide Review

- *Impact: Recently released chapters (particularly 7 & 8) or soon to be released chapters (3 & 13) may contain provisions specific to affordable housing.*
- *Update: LIHTC Committee will review and comment as chapters are issued.*

## 2. Issues with 2018 Form of Subordination Agreement

- *Impact: Various HFAs refuse to execute 2018 form due to conflicts with State law or other issues.*
- *Update: Revised form to be released for PRA comment in immediate future. Proposed changes to Chapter 8 and new Chapter 19 of MAP Guide may resolve some issues. HUD will negotiate with HFAs to make changes to form based on State law or local rule issues.*

## 3. Chapter 15 Mark Up To Market Working Group

- *Impact: Seeking consistency in process and approval among all offices.*
- *Update: Staff has been assigned to work on LIHTC Committee recommendations. Standard "comfort letter" in process that allows for communication of preliminarily approved HAP rents prior to completion of HEROS.*

## 4. MBA Affordable / LIHTC / 221(d)(4) Underwriter Training Course

- *Impact: Formalized training for aspects of affordable housing finance in conjunction with HUD 221(d)(4) program.*
- *Update: Kick-off meeting held in January 2020. Target roll-out is fall 2021. Volunteers needed.*



# Current Initiatives

## 5. 221(d)(4) Pilot Program

- *Impact: Ensure program is working efficiently and as intended. Propose improvements as needed.*
- *Update: Communicating feedback from Lenders directly to HUD. Additional Commitment authority may be available from HUD if \$250M is reached.*

## 6. Eliminating Barriers to Affordable Housing

- *Impact: Respond to Executive Order request for ways to facilitate affordable housing.*
- *Update: Provided response letter to HUD per request ahead of Federal Register Notice. Will continue to provide feedback as requested.*

## 7. Deferred Developer Fee as Eligible Debt for HUD Refinance

- *Impact: Will allow for mortgage proceeds to be used to repay DDF, whether structured as debt or equity at initial closing.*
- *Update: Per HUD, DDF will likely be considered eligible debt on 223(f) but not 223(a)(7). Updated guidance to be included in 2020 MAP Guide.*

## 8. Use Beneficial Chapter 14 MAP Guide Provisions Ahead of Release

- *Impact: Would allow beneficial changes in new Chapter 14 to be used in the event that issuance of the MAP Guide is delayed.*
- *Update: HUD not accepting waivers at this time. Committee will continue to monitor in the event that MAP Guide issuance is delayed.*



# Current Initiatives

## 9. Early Release of Working Capital and Operating Deficit on all transactions

- *Impact:* Will free up escrow funds earlier for transactions that are not likely to have operating shortfalls.
- *Update:* Language to be added in Chapter 12 of new MAP Guide allowing flexibility for early release.

## 10. Section 8 Overhang Language in New MAP Guide

- *Impact:* Language in Chapter 7.8.1.5 of MAP Guide has caused confusion as to which rents can be underwritten for Section 8 HAP projects for Criterion 5.
- *Update:* HUD will allow underwriting of approved HAP rents (if generally consistent with HAP rents) if Section 8 HAP Contract was recently renewed. Committee is commenting on draft Chapter 7.

## 11. Workforce Housing

- *Impact:* HUD programs currently do not incentivize “Naturally Occurring Affordable Housing” through underwriting parameters or MIP.
- *Update:* 2020 initiative.

## 12. Opportunity Zone Processing Changes

- *Impact:* Ensure processing of OZ deals is efficient and expedited, where possible.
- *Update:* Discussions with HUD are ongoing. Feedback welcome from Committee.



# Current Initiatives

## 13. HUD HQ Housing Program Officer for Affordable Programs

- *Update: Ken Doresky (HUD Minneapolis) assigned on 120-day detail but has asked to stay in role. Position not yet posted on USA Jobs.*

## 14. Serve as Resource to Members



Refer to PDFs of the MBA LIHTC  
RECOMMENDATIONS FOR  
REMOVING BARRIERS FOR  
AFFORDABLE HOUSING in the ELA  
App



# MBA LIHTC Committee Contacts

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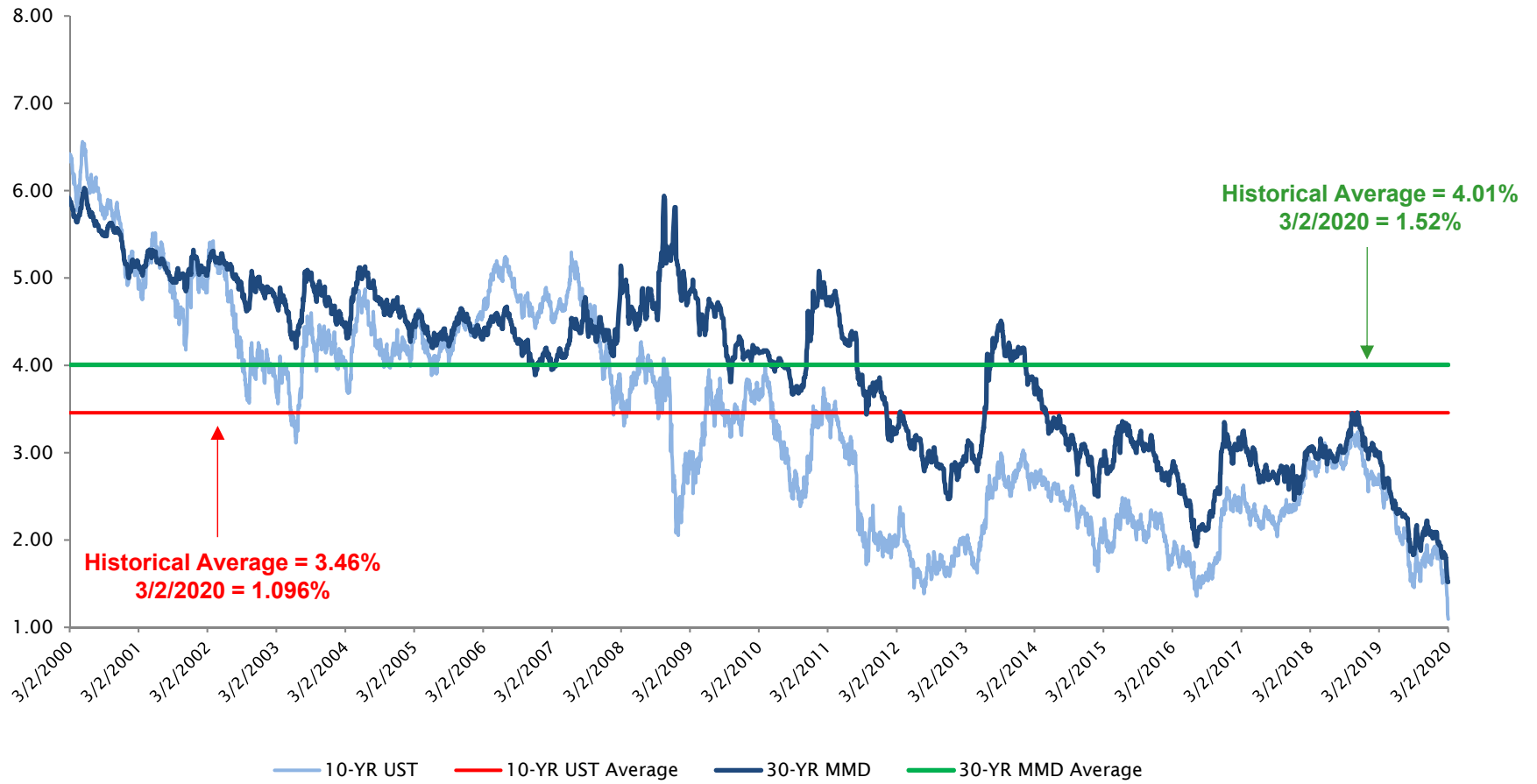
# Financing Structures for Affordable Housing Transactions in the Current Market

Kent Neumann, Esq., *Founding Member | Tiber Hudson*



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# Long Term Yield Curves (as of 3/2/20)



Source: Bloomberg. Thomson Reuters  
Reflects market conditions as of March 2, 2020

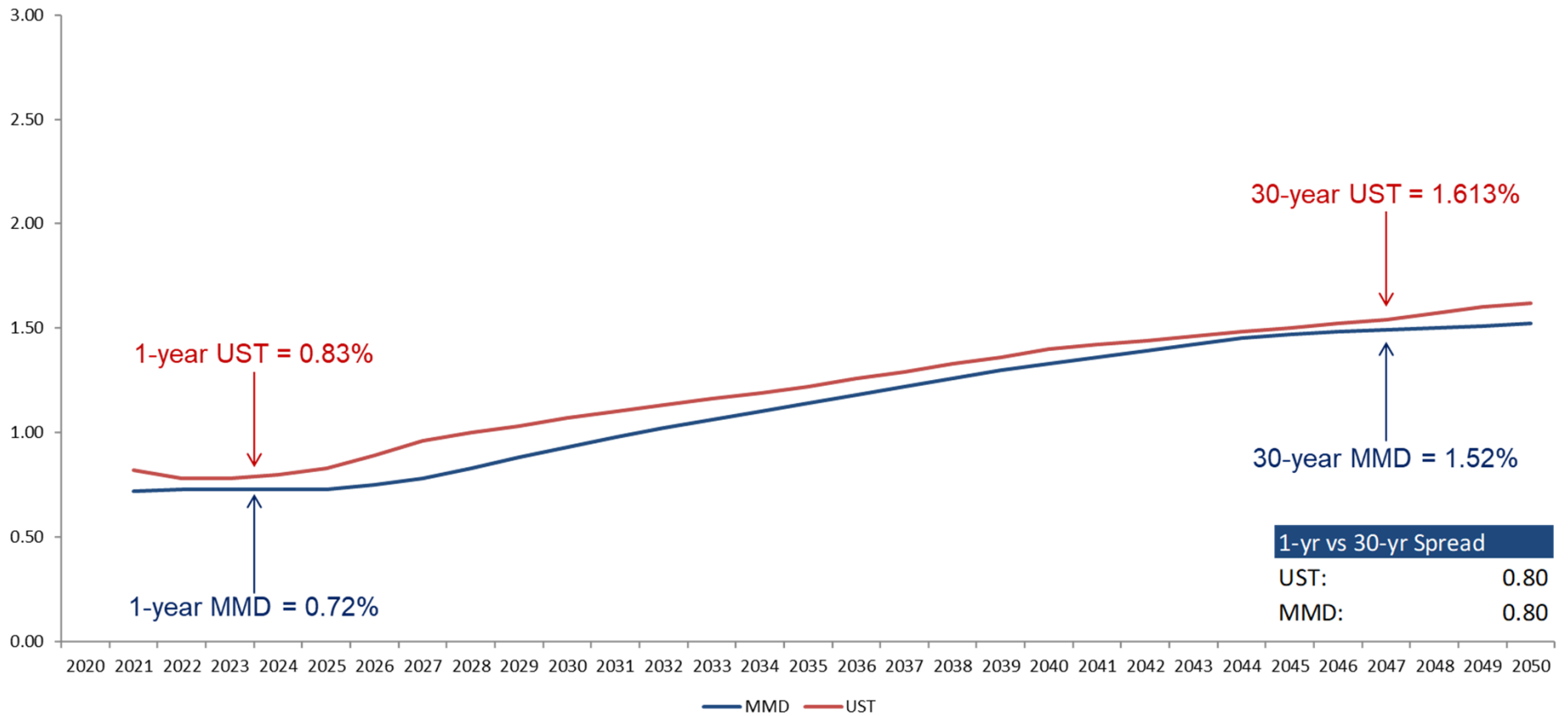
Thomson Reuters Municipal Market Data (MMD) AAA curve is a proprietary yield curve that provides the offer-side of AAA rated state general obligation bonds



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# Historically Flat Yield Curve (as of 3/2/20)



1-yr vs 30-yr Spread	
UST:	0.80
MMD:	0.80

Source: Bloomberg, Thomson Reuters  
 Reflects market conditions as of March 2, 2020  
 Thomson Reuters Municipal Market Data (MMD) AAA curve is a proprietary yield curve that provides the offer-side of AAA rated state general obligation bonds



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# Tax Exempt Multifamily Housing Financings in the Current Market

- Short Term Cash-Backed Bonds with Taxable Perm Loan
- Tax-Exempt Seller “take back” Bonds (for 50% test)
- Other Financing Structures using taxable FHA Loans



# Short Term Cash-Backed Bonds with Taxable Perm Loan

- Taxable construction and/or perm loans still available in the current market at historically low rates including:
  - FHA/GNMA (221(d)(4) / 223(f))
  - Rural Development (538 / 515)
  - GSE loans (mod/light in-place rehab)
  - Other (taxable) State and/or Local loan programs



# Short Term Cash-Backed Bonds with Taxable Perm Loan

- Favorable Underwriting Terms (vary by product) include:
  - 35 to 40-year amortization
  - Fully amortizing debt / no resizing at conversion (FHA/RD)
  - Non-recourse & integrated construction and perm
  - Davis Bacon wages triggered if federal funds used for sub rehab / new construction deals
  - Most are structured as draw-down loans to avoid neg arb
  - FHA debt qualifies for 10-year hold exemption (for acquisition credits)
  - Historically low mortgage rates still available

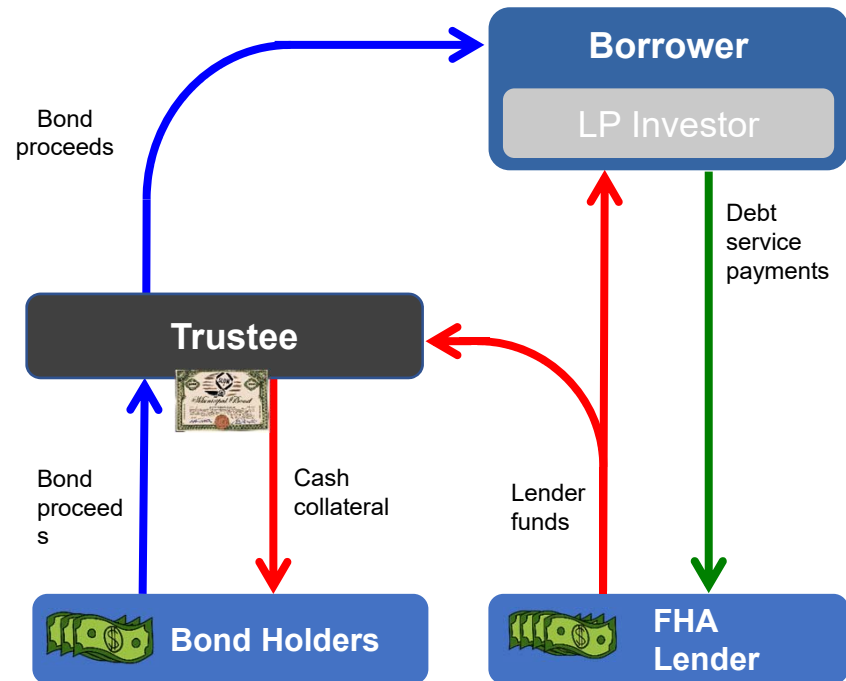


# 4% Low Income Housing Tax Credits: The 50% Test

- Project still need tax exempt bonds to qualify for 4% Low Income Housing Tax Credits
- At least 50% of aggregate basis (including building and land) must be financed with tax exempt bond proceeds
- Provides a significant (~30% or higher) additional source of funds for affordable housing transactions
- Structure uses minimum amount of Bonds for 4% tax credits



# Short Term Cash-Backed Bonds



# Short Term Cash-Backed Bonds

**Bond Amount to meet 50% test < Taxable Loan Amount (see prior slide):** No additional collateral needed!

**Bond Amount to meet 50% test > Taxable Loan Amount:** Need other collateral sources of funds including:

- Subordinate Loan Proceeds
- Seller Note
- Tax Credit Equity



# Other Cost Saving Features/ Options

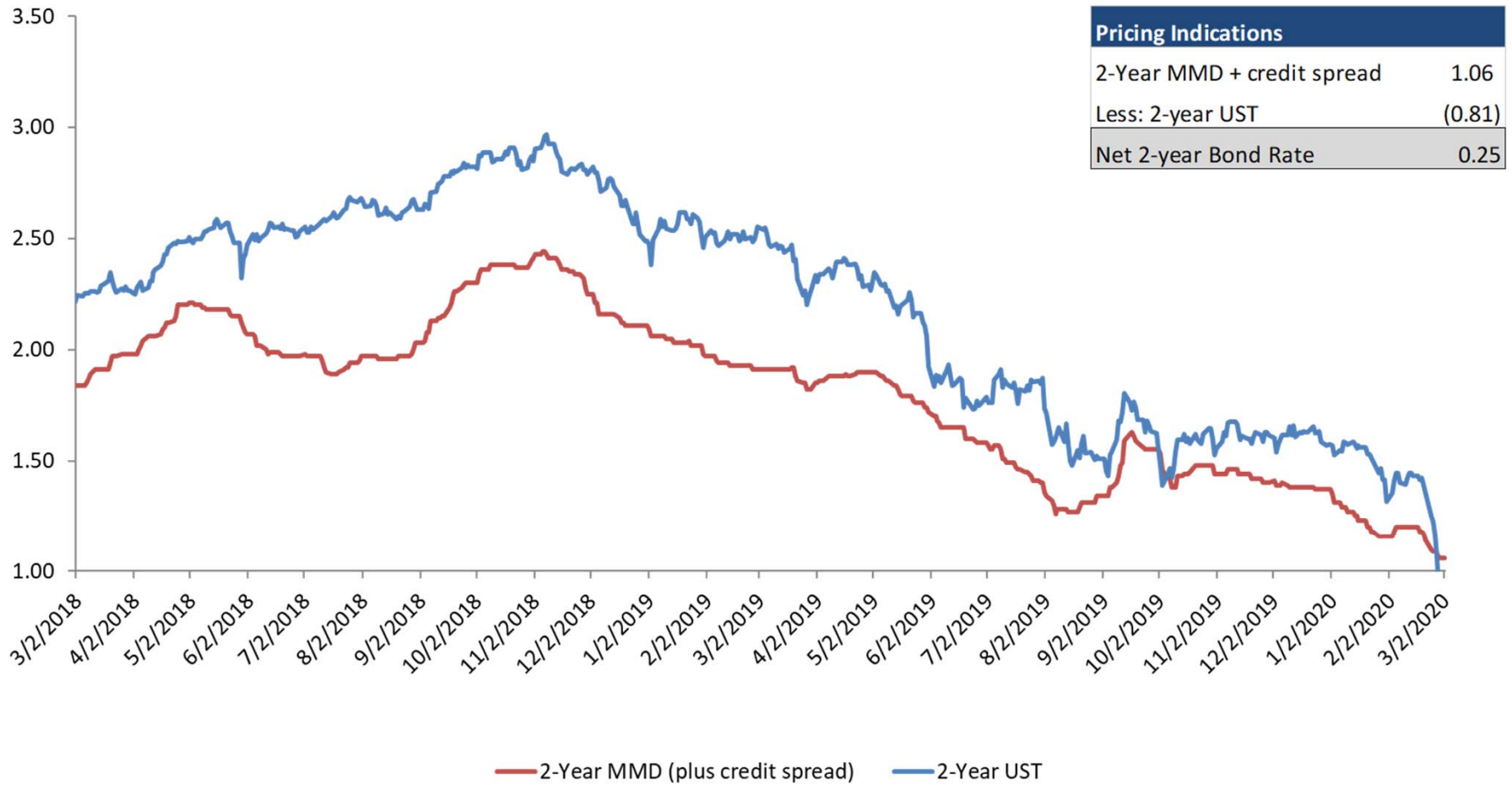
## **Methods to reduce transaction costs and generate more proceeds:**

- Pooled financings – multiple projects w/ one aggregate bond issuance
- No long-term bond related fees
- Potential for additional tax credit equity due to increased basis
- No net interest cost on bonds and in some cases, additional investment earnings can be used for other project costs





# Short Term Yield Curve (as of 3/2/20)

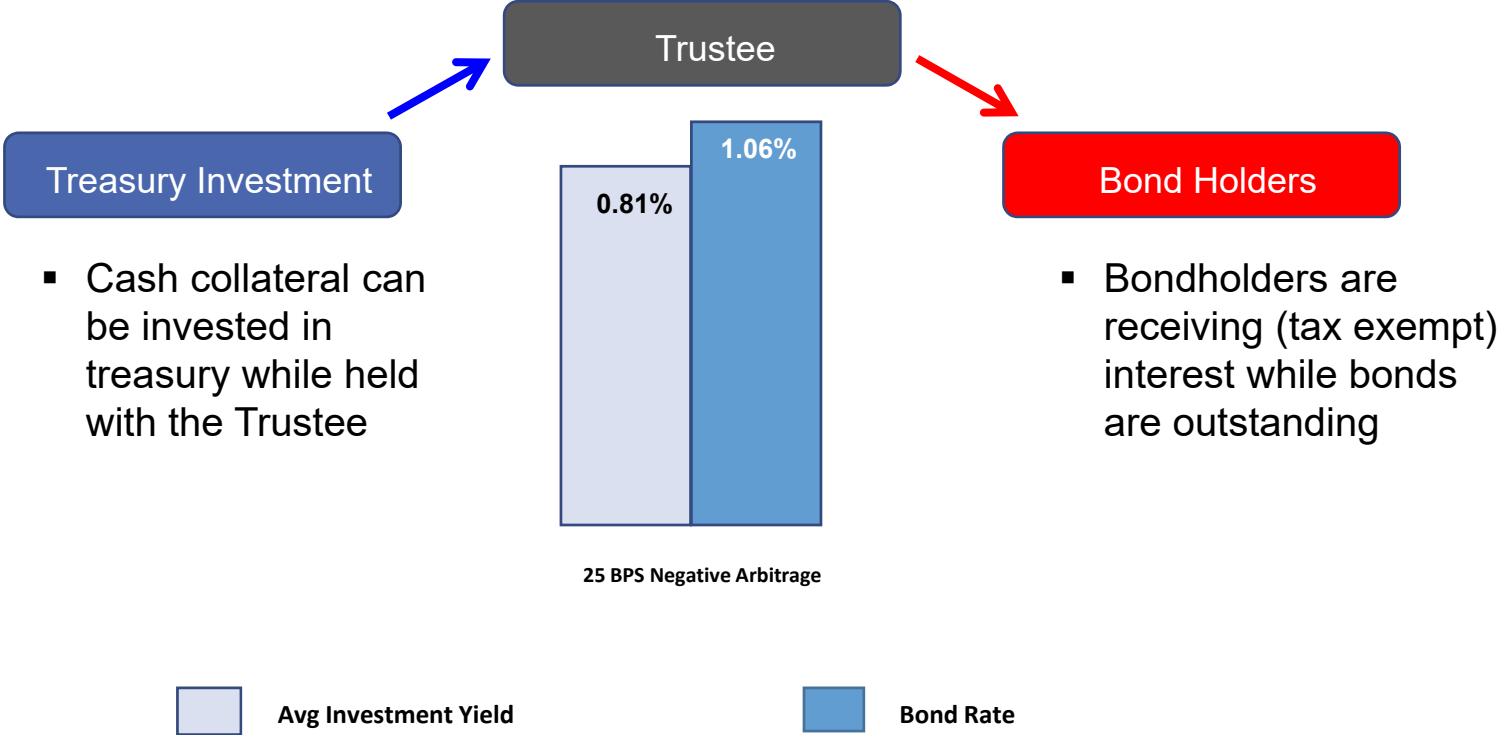


Source: Bloomberg, Thomson Reuters  
 Reflects market conditions as of March 2, 2020  
 Thomson Reuters Municipal Market Data (MMD) AAA curve is a proprietary yield curve that provides the offer-side of AAA rated state general obligation bonds



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# Negative/Positive Arbitrage



# Tax Exempt Seller “Take Back” Note & Bonds

- Many 4% preservation deals include seller financing in the form of a subordinate “take-back” note (common in RAD transactions)
- Due to the LIHTC 50% test, tax-exempt bonds in excess of the permanent financing are often required in these deals
- Several ways to address this issue with various bond structures (often with a positive result)



# Other FHA Financing Structures

- (1) Use FHA Loan to lock in today's rates for future tax credit deals (R2R) – see next slide
- (2) Qualify for exemption to 10-year hold rule (for acquisition credits)
- (3) Long Term Bond Deals backed by GNMA/FHA for certain situations (tax abatement, MD, etc.)
- (4) Ability to use 223(f) financings with 3<sup>rd</sup> party construction loans: Quick closings, no Davis Bacon, very low mortgage rate. Call for details



# Other FHA Financing Structures

- **NEW LOAN:** FHA 223(f) loan to refinance existing debt or purchase project. Keep rehab to a minimum.

## When ready for Bonds/4% Credits

- **Step 1: TPA** (transfer of physical asset) process
- **Step 2:** Supplemental **FHA 241(a)** loan for additional debt
- **Step 3:** Use short-term tax-exempt bonds to qualify for 4% tax credits



# Contact Information



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