

**RESOLUTION  
(TAX CREDIT EXCHANGE PROGRAM)**

WHEREAS, the economic downturn and distressed financial markets have made it difficult for affordable housing developers to locate equity investors to purchase low-income housing tax credits, and the shortage of equity investors has made it impossible for many affordable housing projects to be built during a time when there is great need for safe and sanitary affordable housing;

WHEREAS, on February 17, 2009, The American Recovery and Reinvestment Act of 2009 (the "Act") established a tax credit exchange program (the "Exchange Program"), which permits states to substitute a cash grant in place of a portion of the low-income housing tax credits awarded to projects under Section 42(h) of the Internal Revenue Code of 1986, as amended;

WHEREAS, in May of 2009, the United States Treasury Department (the "Treasury") published "Application and Terms and Conditions: Grants to State for Low-Income Housing Projects in Lieu of Low-Income Housing Credits for 2009 under the AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009," which set forth certain requirements for administration of Exchange Program funds;

WHEREAS, because the Exchange Program is new and is not subject to all of the same rules that govern existing Treasury programs, state housing credit agencies around the country continue to submit questions to Treasury concerning administration of Exchange Program funds, and many of these questions remain unanswered;

WHEREAS, despite the remaining uncertainty, in order to meet the timeframes imposed by Treasury for use of Exchange Program funds, the Alabama Housing Financing Authority (the "Authority") has prepared an allocation plan for administration of Exchange Program funds (the "Exchange Program QAP"), which has been published for public comment and is now being presented to the Board of Directors (the "Board") of the Authority for review; and

WHEREAS, the Board wishes to approve the Exchange Program QAP, to authorize the Authority to implement Exchange Program funding in accordance with the Exchange Program QAP, and to give the Authority sufficient flexibility to modify, amend or restructure the Exchange Program QAP as necessary or desirable in order to conform with, or to take advantage of, legal guidance or industry practices that may affect, directly or indirectly, the Authority's administration of Exchange Program funds;

NOW, THEREFORE, the Board of the Authority hereby resolves as follows:

1. That the Exchange Program QAP is hereby adopted and approved, effective immediately.
2. That the Executive Director of the Authority is hereby authorized and directed to develop such documentation, communications, website materials and procedures and to take all other actions as may be necessary or desirable in order to implement the Exchange Program QAP in accordance with its terms and this resolution.
3. That if the Executive Director determines that it is necessary or desirable to modify, amend or restructure the Exchange Program QAP in any manner to conform to legal guidance or industry practices, the Executive Director is further authorized and directed to do so without further approval of this Board, such changes, amendments or restructuring to be effective immediately upon public notice thereof (or following such public comment period or approval process, if any, as the Authority believes may apply), and the Executive Director is further authorized to develop such documentation, communications, website materials and procedures and to take all other actions as may be necessary or desirable in order to implement the Exchange Program QAP, as so modified, amended or restructured.