



What is the Exchange Program?

Tax Credit Exchange Program

The American Recovery and Reinvestment Act of 2009 created new sources of funding for affordable rental housing. The Act established a tax credit exchange program (the Exchange Program) under Section 1602, which permits states to substitute a cash grant in place of an eligible project's tax credits in an amount up to 85 percent of the tax credit exchanged times 10. The new program is intended primarily to supplement affordable housing developments that have been unable to secure adequate equity commitments in the current market.

The Act requires States to award Exchange Program funds pursuant to existing tax credit allocation plans and to additional guidance provided by the Treasury Department.

AHFA expects to place the highest funding priority on projects that have agreements in place for equity commitments and are farthest along in the construction process. The funds allocated to any project will not exceed the amount needed to make the project financially feasible, based upon AHFA's underwriting criteria.

Refer to the side menu for more information on the Exchange Program (Allocation Plan, Treasury Submission Packet, Treasury Award Notification & How to Apply).