



**Arkansas Development
Finance Authority
ARRA Activity**



Exchange Program Clarification

On March 17, 2010, ADFA announced its intent to utilize 2010 Exchange funds, if available, as additional gap financing for 2010 tax credit applicants with a substantial investor purchasing the credits for \$0.65 or more.

To most effectively and efficiently promote the tax credit housing market in Arkansas, ADFA has determined that no minimum price per credit will be set as a defining element of a "substantial investor." Applicants should take best efforts to obtain the best price per credit possible.

From review of submitted applications, ADFA will determine a reasonable minimum price per credit. Such determination is wholly within ADFA's discretion. If your application evidences tax credit funding below this determined price, your application will not be considered for Exchange funds. This will cause a deficiency in sources, a threshold failure resulting in rejection from further consideration for the tax credits, unless you provide an alternative source commitment letter for the amount of requested Exchange funds.

If you apply only for tax credits (or tax credits and HOME funds), the application will be reviewed and scored as usual pursuant to the 2010 Qualified Allocation Plan.

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