

Applying for 2009 TEB Financing and 4% LIHTCs

TEB financing and 4% LIHTC applications will be accepted and reviewed provided that application submission requirements have been fully satisfied and that applicants demonstrate the ability/capacity to proceed with their proposals in a timely manner should they receive CHFA approval.

In light of current financial market and economic conditions, the Authority will be flexible in its approach to the terms, conditions and structuring that may be required. Applicants should describe such requirements, conditions and issues in the application narrative.

Proposals should address multifamily development priorities within the Authority's approved 2009 LIHTC Qualified Allocation Plan ("QAP") now posted on CHFA's web site.

To the extent developments are financed with TEB proceeds subject to the state's annual volume cap, such developments may receive LIHTC without an allocation from the Authority. If fifty percent (50%) or more of the aggregate basis of a development (including land) is financed with TEB proceeds, the entire development is eligible for LIHTC on its qualified basis without receiving a credit allocation from the Authority. However, TEB-financed developments must satisfy all the allocation requirements under the QAP. TEB-financed developments are also subject to the limitation on the amount of LIHTC available contained in Section 42(m)(2)(A) of the Internal Revenue Code.

Underwriting of TEB financing proposals will conform to the Authority's Multifamily Lending Procedures and those approved by the State Bond Commission.

TEB financing and LIHTC application fees are non-refundable and must be paid when proposals are submitted to CHFA. For proposals receiving Authority approval, the amount of the Financing Application fee will be credited against the total amount due for the CHFA Loan Commitment Fee.

For TEB financing proposals submitted under this NOFA, applicants should assume (i) a permanent loan underwriting interest rate currently estimated (March 2009) to be 6.25% per annum with a term not to exceed forty (40) years, and (ii) a construction loan underwriting interest rate of 6.75% per annum. These rates are for preliminary underwriting purposes only; rates are subject to change due to current uncertainty and volatility in the bond markets.

Applicants proposing to use TEB financing and, if applicable, 4% LIHTC under this NOFA should do so by completing and submitting the CHFA/DECD Consolidated Application. For TEB applications, follow the "financing" column in the Exhibit Checklist. For 4% LIHTC applications, follow the "LIHTC" column in the Exhibit Checklist. – [Click here to access application materials](#).