GEORGIA HOUSING AND FINANCE AUTHORITY
THROUGH ITS ADMINISTRATOR
Georgia Department of Community Affairs
Housing Finance Division
Office of Affordable Housing
Tax Credit Assistance Program (TCAP)
Term Sheet

**Purpose**
To promote the construction and rehabilitation of low and moderate income rental housing through the allocation of the American Recovery and Reinvestment Act (ARRA) resources to multifamily low income housing tax credit projects.

**TCAP Funding Terms**

**Construction loans** will be for the financing of development costs related to the construction or rehabilitation of the type of housing outlined above. Loans will carry a rate of interest of zero percent (0%) with a maximum term of 24 months. In general, the max TCAP funds will be limited to three million dollars ($3,000,000). Construction financing will have full recourse against the borrower. Requests in excess of this amount or any amount in excess of the permanent TCAP funding will be reviewed based, in part, on other construction fund sources and terms.

**Permanent loans** will be for the replacement of construction loans. Permanent loans may be used to replace DCA or non-DCA construction loan(s) in accordance with TCAP regulations. In general, the maximum loan amount is the amount of construction financing being retired or three million dollars ($3,500,000), whichever is less. The minimum loan amount is $500,000. Loans will carry a rate of interest of up to One (1) Percent. Loans will generally mature thirty (30) years from the closing or conversion of the permanent loan. DCA may approve longer amortization periods to coincide with other government loan programs. Loan payments will be based on actual excess cash flow and will be paid in arrears on a quarterly basis. Quarterly financial statements, certified by the owner, must be submitted to DCA with each quarterly loan payment. Audited project annual financial statements must be submitted to DCA on an annual basis. Other regulations will apply as outlined in the Georgia Qualified Allocation Plan, the Office of Affordable Housing Manuals, and guidance published by DCA.

**Application**
Applications must be submitted in accordance with the application process and minimum documentation submission requirements published by DCA.

**Special Conditions**
Rent, income, and use restrictions will apply, as described in the Georgia Qualified Allocation Plan with respect to an award of LIHTC to a project and federal regulations. These restrictions will
be secured by a Land Use Restriction Agreement which will have duration equal to the term of the loan.

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<th>Loan Agreements</th>
<th>Written agreements shall be entered into between the Department and the borrower.</th>
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<td>Funds Disbursement</td>
<td>Construction loan draws shall be disbursed on a draw basis to fund hard and soft costs which meet the eligible basis requirements of the program. Each draw is subject to approval by DCA.</td>
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<td>Reporting</td>
<td>Annual audited financial statements, and applicable ARRA reports.</td>
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<td>Other Requirements</td>
<td>Upon completion of construction/rehabilitation, award recipients must submit to DCA the contractor cost certification in a DCA prescribed format. The award recipients must meet and remain in compliance with the Qualified Allocation Plan, DCA ARRA guidance, and any applicable Federal requirements.</td>
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<td>Recapture</td>
<td>If at any time during the Compliance Period the project ceases to be a “qualified low income housing project” (as defined in Sec. 42 (g)(1) of the Internal Revenue Code) or any substantial number of units, as determined by DCA, in the project cease to be “low income units” (as defined in Sec. 42(i)(3) of the Code), the balance of the loan becomes due and payable immediately. This provision may be enforced by foreclosure, liens, or other methods as the Secretary of the Treasury and DCA determines appropriate.</td>
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<td>Governing Statute And Regulations</td>
<td>All activities must be conducted in full compliance with all program statutes, the Internal Revenue Service (IRS) regulations and the U.S. department of Housing and Urban Development (HUD) regulations. No provision of this program description shall be enforced if the US Department of Treasury (including IRS), HUD, or DCA determined that such provision is invalid under the federal or state statute or regulations.</td>
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