

Authority Loan Parameters For 9% Tax Credit Projects

Updated 12/23/2013

The following parameters and restrictions related to Authority debt sources are **ONLY** applicable to Projects applying for an Allocation of 9% Tax Credits.

Please note: These are only general parameters to be used for reference purposes when structuring a 9% LIHTC Application that includes Authority debt sources. The final financing structure of the Project will be determined subject to underwriting review and approval on a case by case basis.

Authority Debt Sources with below Market Interest Rates

Projects requesting Authority debt sources with below market rates of interest are subject to the following parameters and restrictions:

Available Sources:	HOME Loans	Trust Fund Loans
Maximum Loan Amount:	The lesser of \$4.0M or the maximum allowed under HUD's HOME per unit subsidy limits	\$1,500,000 when in 1 st mortgage lien position; \$1,250,000 when in a subordinate lien position
Lien position	HOME loans can be in a subordinate line position, but must be in a superior lien position to Trust Fund loans	Trust Fund loans can be in a subordinate lien position
Subordination	HOME funds can only fund into a lien and risk position consistent with the permanent financing structure of the Project. HOME funds cannot be subordinated to bridge loans	Trust Fund loans can be funded into a subordinate lien position including subordination to bridge loans
Interest rate	0% or more	0% or more
Term	15 – 40 years subject to HUD's minimum terms of affordability	15 – 40 years
Debt service	As supported by the Project with a minimum of \$1,200 annually	As supported by the Project with a minimum of \$1,200 annually
Availability	During construction subject to subordination restrictions above	During construction
Application Documentation	Per QAP requirements for Projects requesting Authority Debt Sources with below Market Interest Rates	

Authority Debt Sources with Market Interest Rates

For Projects requesting Authority debt sources with market rates of interest, please refer to information regarding first mortgage loan programs posted on our Website.

For additional information and to obtain financing acknowledgement letters for Projects requesting Authority debt sources with market rates of interest, please contact:

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