

BOBBY JINDAL
GOVERNOR



MILTON J. BAILEY
PRESIDENT

Louisiana Housing Finance Agency

August 24, 2009

The Honorable Bobby Jindal
Governor
Fourth Floor
900 Third Street
Baton Rouge, LA 70802

Re: Execution of 2009 Qualified Allocation Plan (the "QAP") and Amendment to the 2007/2008 GO Zone and Per Capita QAP

Dear Governor Jindal,

It is my understanding that your office has asked if it can postpone the signing the 2009 QAP until the Louisiana Housing Finance Agency (the "LHFA") and other parties meet with Treasurer Kennedy and Speaker Tucker to discuss certain unresolved matters. It is my further understanding that both gentlemen have concerns regarding the use of Mortgage Revenue Bond and Community Development Block Grant funding of certain affordable housing developments scheduled to take place in New Orleans.

Although the agency leadership is committed to participating fully in such a meeting, the purpose of this communiqué is to respectfully request that you do not postpone the execution of the 2009 QAP and the accompanying 2007/2008 QAP Amendment until that meeting occurs. The imminent and timely execution of both the 2009 QAP and the 2007/2008 QAP Amendment is critically important for several monetary and procedural reasons.

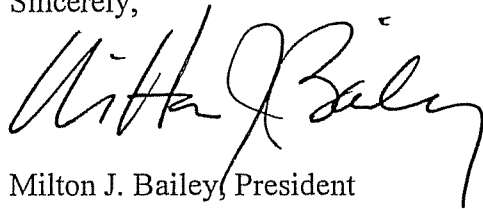
Without an executed 2009 QAP by the Governor, Attorney General or the State Legislature, the LHFA cannot issue the 2009 tax credits anywhere in the state. This means that over \$114 million of 1602 Exchange funds and \$39 million of Tax Credit Assistance Program Funds (the "TCAP Funds") are at risk of not meeting federally imposed use of funding and completion schedules. The 2009 tax credits must be awarded by September 30, 2009 in order to qualify affordable housing developments under the 2009 QAP for TCAP Funds.

The LHFA Board of Commissioners (the "Board") is scheduled to award 2009 tax credits to affordable housing developments and TCAP Funds to such developments at the September 9, 2009 Board meeting to meet the deadline of September 30, 2009 imposed

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by the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") for awarding all TCAP Funds under the Recovery Act. Given the critical and time sensitive importance of awarding and placing the 2009 tax credits, Exchange funds and TCAP funds into circulation, I respectfully request that you execute both the 2009 QAP and the 2007/2008 QAP Amendment at your earliest convenience. If I may be of further assistance to you in this matter, please do not hesitate to call me on (225) 636-8847.

Sincerely,

A handwritten signature in black ink, appearing to read "Milton J. Bailey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Milton J. Bailey, President

cc: Honorable John Kennedy, State Treasurer and Chairman, Bond Commission
Honorable Jim Tucker, Speaker of the House and Bond Commissioner
Honorable Paul Rainwater, Executive Director, Louisiana Recovery Authority
Honorable Board of Commissioners, Louisiana Housing Finance Agency