

“TCAP / Exchange Program” Frequently Asked Questions

1. Where is the application for the TCAP / Exchange Program located?
 - A. Currently the agency is requesting the developers to submit the Stimulus Spreadsheet for review. Details regarding the required application will be forthcoming.

2. Does the Gap Analysis Form determine eligibility or is it simply a prerequisite for the application?
 - A. The analysis is part of the process and will be used in tandem with the required application for funding.

3. Would the unavailability of sufficient TCAP funds, for a viable and feasible project with construction cost increases currently covered by deferred developer fee, result in the voluntary return of the original tax credits?
 - A. The Agency will continue to assess the availability of other resources to cover financing gaps caused by a reduction of funding resources as a result of the financial credit crisis that caused a project to no longer be feasible or viable. For projects with gaps caused by increased development costs, the agency will review on a case-by-case basis the prospects of the project's feasibility and viability without additional financial resources.

4. If a project only wants to monetize its previous LIHTC reservation, what is the process?
 - A. The Agency is currently working through the monetization process and further detail will be forthcoming.

5. Can a project monetize its previous LIHTC reservation and receive TCAP capital funds?

A. Yes; however, see answer to question #4.

6. On page 2 of the Stimulus Spreadsheet the signature box contains the following language: "If sufficient TCAP funds are not available to the Louisiana Housing Finance Agency (the "Agency") to reserve or allocate to the Project by July 8, 2009 the Original Credits will be deemed voluntarily returned in accordance with applicable Treasury Regulations by the Taxpayer as of July 8, 2009". Please clarify the Agency's intent as stated above?

A. See question 3 above. It was the Agency's intent to encourage developers to seek ever possible means for fund prior. The agency hereby rescinds the last sentence of the Taxpayer certification.

7. Is the Agency's QAP rule permitting \$2000 per unit of reserves as part of the development cost budget affected by the infusion of TCAP Funds or Treasury Sub- Grants.?

A. At this time the answer to the question is subject to further guidance from HUD and Treasury. However, it would appear that reserve funds could not be funded with TCAP funding without further specific ruling from HUD. The use of Treasury sub-grants may be allowed but the Agency will await further guidance from Treasury.

8. Are 4% Bond Projects eligible for TCAP Funding?

A. Yes