Appendix F:
Second Amendment to Tax Credit Exchange Guidelines – October 22, 2009

As of October 22, 2009, the Department of Housing and Community Development (“DHCD”), as the Massachusetts state housing credit agency, amends these Tax Credit Exchange Program (TC-X) Guidelines of August 11, 2009, as amended on September 25, 2009, to set forth additional eligibility criteria for certain applicants in the Third Competition for TC-X awards:

Background:

The First Competition:
On June 30, 2009, DHCD submitted its first exchange request, totaling $50,814,102, to the U.S. Department of the Treasury. DHCD established August 28, 2009, as the application deadline for the first funding competition for exchange funds. On that date, the Department received 15 applications for exchange funds. At the conclusion of the review process, DHCD approved $50,645,661 in exchange awards to ten projects.

The Second Competition:
On September 18, 2009, DHCD submitted its second exchange request, totaling $27,314,301 to the U.S. Department of the Treasury. DHCD established October 9, 2009 as the application deadline for the second funding competition for exchange funds. On that date, the Department received seven applications for exchange funds. DHCD expects to announce shortly the awardees of exchange funds in the second competition.

The Third Competition:
On October 20, 2009, DHCD submitted its third exchange request, totaling $27,907,047 to the U.S. Department of the Treasury. DHCD has established November 6, 2009, as the application deadline for the third funding competition for exchange funds.

All interested parties should note the following: The threshold eligibility criteria for the third funding competition will differ from the threshold eligibility criteria for the first and second exchange competitions. Certain low-income housing tax credit projects that received credit and subsidy awards from the Department during 2009 will be eligible to apply for the limited exchange funds available during the third competition. To be eligible for consideration, projects with 2009 awards must meet the following criteria:

- The sponsor must be a non-profit developer or a joint venture between a non-profit and a for-profit.
- The sponsorship entity must not have changed since the time of the DHCD credit and/or subsidy award.
• All units in the project must be tax credit units and must have been proposed as tax credit units at the time of the DHCD credit and/or subsidy award;

• The sponsor must have obtained a commitment of private equity from a syndicator or direct investor which will result in a net equity raise to the project of at least $4 million at a raise per credit dollar, and on terms, acceptable to DHCD;

• The sponsor must apply for no more than $4 million in exchange funds. The exchange amount requested must be sufficient to permit the sponsor to proceed to a full loan closing within 120 days of an exchange award.

Any non-profit sponsored projects that were eligible for exchange consideration prior to the date of this amendment remain subject to the same eligibility criteria for the third exchange competition. The scoring system for the third competition is the same for all applicants as the scoring system for the first and second exchange competitions. (Please note that DHCD applied the same scoring system to all TCAP applications as well.) DHCD will review applications to the third competition in chronological order, beginning with the projects that received tax credit and/or subsidy awards in 2007, followed by the 2008 projects, and then the 2009 projects.

At this time, DHCD anticipates submitting further exchange requests to the U.S. Department of the Treasury in November and/or December 2009. The Department will notify interested parties as to any changes in these Tax Credit Exchange Guidelines for future funding competitions.