

LOW INCOME HOUSING
TAX CREDIT PROGRAM

2016
FINAL ALLOCATION
PACKAGE



MFA | *Housing New Mexico*

NEW MEXICO
MORTGAGE FINANCE AUTHORITY

**NEW MEXICO MORTGAGE FINANCE AUTHORITY HOUSING TAX CREDIT PROGRAM
2016 PLACEMENT IN SERVICE AND FINAL ALLOCATION
APPLICATION INSTRUCTIONS**

General: The final stage of the MFA Tax Credit allocation process involves submission of a Placement in Service Application and Final Allocation Application. The Placement in Service process is mandatory prior to year end, and the Final Allocation Application may be undertaken simultaneously or later. A complete Final Allocation Package should be submitted no later than 120 days following the close of the Project's first taxable year of the Credit Period. Until the Final Allocation Application is processed, MFA cannot issue the IRS Form 8609 needed for the investor to claim Tax Credits. This package contains the documentation required by MFA to verify that a Project was Placed in Service by the required date, and to determine a Project's eligibility for a Final Allocation.

Projects Affected: All projects with Year 2014 Carryover Allocations must be placed in service before December 31, 2016 and must at least submit a Placement in Service application by November 15th, 2016. Projects that have a Year 2014 Carryover Allocation or a Year 2016 Reservation and are being placed in service before December 31, 2016 must also submit these applications.

Requirements: To qualify for a Final Allocation or to document that a project with a 2014 Carryover Allocation was Placed in Service, the following requirements must be met and evidence submitted to MFA no later than 5:00 p.m. MST, November 15, 2016:

1. All buildings of the project must have received a Certificate of Occupancy in 2016 or earlier; and
2. If a Project is Placed in Service but is not ready to request 8609's, all items on the "Placed in Service" section of the checklist must be delivered; or
3. If a Project is Placed in Service and ready to request 8609's, all items listed in both the Placed in Service and Final Allocation sections of the Checklist must be delivered.

Location for Delivery: The Applications must be submitted to MFA at the following address:

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, New Mexico 87102
Attention: Housing Development/Housing Tax Credit Final Allocation

Attached Materials: Enclosed are checklists, forms and sample documents for some of the materials that must be submitted to MFA for final processing. A sample form of Land Use Restriction Agreement is included for your information only. Prior to the Application Deadline, MFA staff will complete this document and return it for your signature. The recorded LURA must be returned to MFA no later than December 30, 2016.

Processing Steps for Placement in Service and Final Allocation:

1. **November 15th**, Applicant submits Placement in Service or Final Allocation Application to MFA;
2. MFA prepares and delivers the Land Use Restriction Agreement ("LURA");
3. Owner executes LURA, records in appropriate county, and delivers the same to MFA prior to December 30, 2016.
4. MFA reviews Applications for completeness, underwrites project to ascertain financial viability, and recalculates the credit amount for Final Allocations;

Further Information: Contact Susan Biernacki (505) 767-2273.

**HOUSING TAX CREDIT PROGRAM
PLACEMENT IN SERVICE AND FINAL ALLOCATION CHECKLIST**

PROJECT NUMBER: _____ YEAR CARRYOVER RECEIVED: _____

PROJECT NAME: _____

PROJECT OWNER: _____

CONTACT NAME: _____ PHONE NUMBER: _____

Part I: Placement in Service Processing

- ___ (1) On the MFA provided "Development Project Application" complete or update Sections II, III, IV and the signature portion of page 7.
- ___ (2A) New Construction Projects: Certificate of Occupancy for each building in the Project; or
- ___ (2B) Rehabilitation Projects: Certificate of Completion, and, if acquisition credits are involved, evidence of the date the project was Placed in Service for acquisition purposes;
- ___ (3) Photos of each of the completed building(s) identified by address and BIN;
- ___ (4) A completed *Project Ownership Profile*;
- ___ (5) A completed Form 8609 Certification (original signature) (form attached);
- ___ (6) A recorded Consent and Agreement to Recording of Land Use Restriction Agreement from **every lien holder** (original signature);

Part II: Additional Requirements for Final Allocation Application

(These are in addition to items #2 – #6 above.)

- ___ (7) Completed, and fully executed (with authorized original signature) Development Project Application for Final Allocation with schedules (A-1, B, C, D and F) indicating (either in red ink or by an X in the left margin next to the item) all changes that have occurred or are being proposed subsequent to the time of the last application. All changes are subject to approval by MFA;
- ___ (8) A completed and fully executed Schedule "M" Addendum for Final Allocation;

- ___ (9) Written certification from the equity investor of a) total gross funds raised (or to be raised) from sale of the tax credits, b) itemization of all costs associated with the syndication, c) total equity payment to the partnership, d) pay-in schedule and relevant benchmarks, e) amount of tax credit expected, and f) gross price paid per dollar of tax credit;
- ___ (10) Project Owner's certification, on *Final Cost Certification, MFA Form A* (and, if Tax Exempt Bond Financed, *Form A2*), of actual total Project costs and eligible basis incurred, signed (original signatures) and attested (form attached);
- ___ (11) Completed Accountant's *Independent Auditor's Report, MFA Form B*, by independent tax accountant with correct Federal Tax Identification Number (form attached);
- ___ (12) Completed *Costs Incurred by Building, MFA Form C*, showing costs incurred separately for **each** building (form attached);
- ___ (13) Completed Owner's Attorney's Opinion; by independent tax attorney (original signature) (form attached)¹;
- ___ (14) Completed "As Built" Architect Certification (original signature) (form attached)¹;
- ___ (15) As-Built Site Plan, Building Floor Plans, and Unit Plans;
- ___ (16) Fully executed Final Contractor's Application and Certificate for Payment, AIA Doc. G702, or equivalent;
- ___ (17) Updated cash flow analysis (15-year pro forma);
- ___ (18) Complete (with all exhibits attached) copy of the executed partnership or operating agreement;
- ___ (19) Compliance Training Certificate for both owner and management company;
- ___ (20) Certification identifying all federal, state, and local funds which apply to the project, including source, type (whether it is a loan, grant, rent subsidy, etc.), terms and amount; if applicable;
- ___ (21) Copy of the signed cost certifications submitted to FHA, lenders, or RD (FmHA), as applicable; and
- ___ (22) Check payable to MFA (with tax credit project number and "HTC Compliance Fee") noted on check, in the amount of the total number of set aside units multiplied by 45, for the

¹ Please note that forms of Independent Auditor's Report for Final Allocation and Owners' Attorney's Opinion are provided. These have been developed with the help of qualified professionals in each field. The form of Independent Auditor's Report is optional, the form of Owner's Attorney Opinion is required. If the MFA form of Independent Auditor's Report is not used, the Owner and CPA are solely responsible for their format meeting the requirements of IRC, Section 42, as amended and all other applicable laws, rules, and regulations. MFA will not make this determination. In addition, the form of "As-Built" Architect Certification is required, without modification.

first year's compliance monitoring fee (Owner may also elect to pay Compliance Fees for the entire 15 year Compliance Period).

- ___ (23) Copy of the Recorded Land Use Restriction Agreement (LURA) (Only if the project was previously placed in service.)
- ___ (24) Projects with Units reserved for Families with Children and Projects reserved for Senior must provide a current copy of the Social Services Plan including contracts with service providers and service provider resumes.
- ___ (24) Projects which committed to providing financial literacy training must include a contract with a service provider and a copy of the providers resume.
- ___ (25) Projects which committed to LEED Certification must provide evidence that certification has been obtained. Project which committed to Enterprise Green Communities Criteria must provide evidence from Enterprise that criteria have been met.
- ___ (26) Projects with rental assistance contracts: provide copy of the current rental assistance contract.

CONDITIONS TO ISSUANCE OF IRS FORM 8609

The land use restriction agreement must be recorded in the year the project is placed in service. A copy of the completed land use restriction agreement will be sent to the owner for filing. However, the 8609(s) will not be issued by MFA until the following conditions have been met:

1. Each building in the Project is a qualified low-income building;
2. The Project Owner and the Project are in compliance with the terms of the land use restriction agreement;
3. The Project Owner has provided, on MFA forms, a completed Final Allocation Application including, but not limited to, a certification of project costs and eligible basis of the project and of each building;
4. The Project Owner has provided a copy of the executed partnership or operating agreement;
5. The Project Owner has paid the first year compliance monitoring fee;
6. The Project Owner's representative and the management agent's representative have successfully completed a compliance training session conducted or approved by MFA; and
7. MFA has made its final determination of the credit amount and its final determination pursuant to section 42(m)(2) of the Code.

This is a multiple sheet Excel Workbook with Schedules for various MFA rental programs. Schedules "A" through "I" are separate worksheets (See Tabs at bottom while in Excel.).

Each of the schedules is a required for a Low Income Housing Tax Credit (LIHTC) Application. There are other schedules which are also needed to complete the LIHTC Application (see website) Schedules F & G are only required for LIHTC, not for other rental applications such as HOME, Primero, NM Housing Trust Fund, EnergySavers and Land Title Trust Fund. Schedules H & I are not required for 542 C Risk Share and ACCESS loans because those loan programs require that the Principals and the Management Agent complete HUD form 2530, which supplies the same information.

This is a rental programs. bottom wh

Each of the (LIHTC) / complete t for LIHTC Trust Fund required for require tha which supj

multiple sheet Excel Workbook with Schedules for various MFA rental
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required for 542 C Risk Share and ACCESS loans because those loan programs
require the Principals and the Management Agent complete HUD form 2530,
which provides the same information.

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE A: DEVELOPMENT COST BUDGET**

Project Name: _____ Date: _____
 Total Units: _____ Low Income Units: _____

*Round figures to nearest dollar

					Federal HTC REQUESTS ONLY	
	TOTAL ACTUAL COST	COMMERCIAL	RESIDENTIAL	RESIDENTIAL COSTS ONLY		
				30% HTC BASIS	70% HTC BASIS	
ACQUISITION COSTS						
Land Acquisition						
Building Acquisition						
Other						
SUBTOTAL				0		0
TOTALS FROM SCHEDULE "D" CONTRACTOR'S AND MORTGAGOR'S COST BREAKDOWN						
Demolition (I)						
Accessory Structures (II)						
Site Construction (III)						
Buildings and Structures (IV)						
Off-Site Improvements (V)						
Other Costs (VI)						
SUBTOTAL (VII)				0		0
OTHER CONSTRUCTION COSTS						
Contractor Overhead						
Contractor Profit						
General Requirements						
Construction Contingency						
Gross Receipts Tax (GRT)						
SUBTOTAL				0		
PROFESSIONAL SERVICES/FEES						
Architect (Design)						
Architect (Supervision)						
Attorney (Real Estate)						
Engineer/Survey						
Other						
Other						
SUBTOTAL				0		
CONSTRUCTION FINANCING						
Hazard Insurance						
Liability Insurance						
Performance Bond						
Interest						
Origination\Discount Points						
Credit Enhancement						
Inspection Fees						
Title and Recording						
Legal						
Taxes						
SUBTOTAL				0		

--CONTINUED ON NEXT PAGE--

FOOTNOTES

- | | |
|--|--|
| 1) Subtotal from Section I. Schedule "D" | 4) Subtotal from Section IV. Schedule "D" |
| 2) Subtotal from Section II. Schedule "D" | 5) Subtotal from Section V. Schedule "D" |
| 3) Subtotal from Section III. Schedule "D" | 6) Subtotal from Section VI. Schedule "D" |
| | 7) Subtotal from Section VII. Schedule "D" |

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE A: DEVELOPMENT COST BUDGET**

Project Name: _____ Date: _____

Total Units: _____ Low Income Units: _____

*Round figures to nearest dollar

	TOTAL ACTUAL COST	COMMERCIAL	RESIDENTIAL	Federal HTC REQUESTS ONLY	
				RESIDENTIAL COSTS ONLY	
				30% HTC BASIS	70% HTC BASIS
PERMANENT FINANCING COSTS					
Bond Premium					
Credit Report					
Origination\Discount Points					
Credit Enhancement					
Title and Recording					
Legal					
Pre-Paid MIP					
Other					
Reserves and Escrows					
SUBTOTAL					
SOFT COSTS					
Market Study					
Enviromental					
Tax Credit Fees					
Appraisal					
Accounting/Cost Certification					
Other					
SUBTOTAL				0	
SYNDICATION					
Organization					
Bridge Loan					
Tax Opinion					
Other					
SUBTOTAL					
TDC before Dev. Fees & reserves					
RESERVES					
Rent Up					
Operating					
Replacement					
Escrows/Working Capital					
SUBTOTAL					
DEVELOPER FEES					
Developer Fee					
Consultant Fee					
SUBTOTAL					
Total Development Cost TDC)					

MFA MULTIFAMILY PROJECT APPLICATION
Schedule A-1: Sources of Funds

Project Name: _____ 0

Date: _____

Financing Sources	Lender/Program	Contact Person Name/Telephone No.	Construction Amount	Permanent Amount	Interest Rate	Payment		Term	
						Amount	Frequency	Amort. Yrs.	Loan Yrs.
First Mortgage									
Second Mortgage									
Third Mortgage									
Other Mortgage									
Other Mortgage									
Grant									
Grant									
Deferred Developer Fee									
		Subtotal:							
Other Equity									
Other Equity									
Tax Credit Proceeds									
		Total:							

Note: Total of Permanent Amount Column **Must** Equal Total Development Cost in Schedule A.

Are you willing to defer your developer fee without interest, if MFA's evaluation results in a need to do so?

If you plan to issue bonds, indicates amounts. Tax Exempt
 Taxable

Complete highlighted cells

Equity Installment Schedule

	Date	Amount
Initial Installment		
2nd Installment		
3rd Installment		
4th Installment		
5th Installment		
Total		

Estimated annual tax credits times 10 years
 Multiply by tax investor ownership percentage
 Total tax credits 0
 Expected credit price 0
 Expected cash equity 0

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE B: UNIT TYPE AND RENT SUMMARY**

Project Name: 0

Date: 0

Section A	Restricted Units at 60% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance (%):	7.00%					

Section B	Restricted Units at 50% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section C	Restricted Units at 40% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section D	Restricted Units at 30% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section E	Market Rate / Unrestricted Units					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section F	Total All Units (Total Section A-E)					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Units Receiving Rental Assistance (To be included in Sections A-E)						
Non-Revenue Generating Units ⁽²⁾						
Vacancy Allowance:	7.00%					

⁽¹⁾Not to exceed rent limits for program applied for.

⁽²⁾Non-Revenue Generating Units (Not to be included in Sections A-E) Specify Use:

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE C: OPERATING EXPENSE BUDGET**

Project Name: 0 _____ Date: 0 _____

		Total Units:	Total Budget	Per Unit Cost
INCOME				
1	Annual Rental Income Per Schedule B/Section F			
2	Parking Income			
3	Laundry Income			
4	Other Income (Specify)			
	Income Subtotal		-	
5	Less Vacancy @ 7%		-	
6	Commercial Income			
7	Less Vacancy @ 50%			
8	TOTAL INCOME			
EXPENSES				
ADMINISTRATIVE EXPENSES				
9	Accounting and Audit			
10	Advertising			
11	Legal			
12	Property Management Fee @ 5.00%			
13	Gross Receipts Tax (GRT) on Management Fee			
14	Management Salaries/Taxes			
15	Office Supplies and Postage			
16	Telephone			
17	Annual Compliance Fees (\$45 per LI unit)			
18	Other (Specify):			
19	SUBTOTAL ADMINISTRATIVE EXPENSES			
UTILITY EXPENSES				
20	Fuel (Heat and Water)			
21	Electricity			
22	Water and Sewer			
23	Gas			
24	Garbage/Trash			
25	Other (Specify):			
26	SUBTOTAL UTILITY EXPENSES			
MAINTENANCE EXPENSES				
27	Elevator			
28	Exterminating			
29	Grounds			
30	Repairs			
31	Maintenance Salaries and Taxes			
32	Maintenance Supplies			
33	Pool			
34	Snow Removal			
35	Decorating			
36	SUBTOTAL MAINTENANCE			
FIXED EXPENSES				
37	Real Estate Taxes			
38	In Lieu of Taxes			
39	Other Tax Assessments			
40	Insurance			
41	Other (Specify):			
42	SUBTOTAL FIXED EXPENSES			
SUBTOTAL EXPENSES BEFORE RESERVES				
RESERVE FOR REPLACEMENT/OTHER RESERVES				
43	Reserve for Replacement (Annual) ⁽¹⁾			
44	Other (Specify):			
45	Other (Specify):			
46	Other (Specify):			
47	Other (Specify):			
48	SUBTOTAL RESERVES (Do not include debt service)			
49	Enrichment Services			
50	TOTAL EXPENSES			
51	NET OPERATING INCOME (Total Income Minus Total Expenses)			

(1) Minimum reserves per unit per year: **\$250/unit/year** for Senior Housing (new construction only), and **\$300/unit/year** for all other new construction and rehabilitation projects.

Management Agent/Applicant Certification: The operating budget provided above is that which will serve as the project's operating budget for its first year of operations, pursuant to agreement by the following parties:

Applicant(s) Signature(s): (1) _____ (2) _____

Date: (1) _____ (2) _____

Printed Name/Title: (1) _____ (2) _____

Management Agent Signature: _____ Date: _____

Printed Name/Title: _____

CASH FLOW PROJECTION

0.00

Annual Inflation Factors

Residential Rents: 2.00%
 Expenses (except Mgmt fees) 3.00%
 Replacement Reserves: 3.00%

Vacancy: 7%
 Commercial Vacancy 50%

0.00

Date: 0.00

Annual Projections (Post Construction Period)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income															
Residential Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income Vacancy Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income (EGI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses															
Expenses (less reserves and mgt fees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mgmt fees + GRT (increases with EGI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Debt Service (Hard Debt)															
First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Third Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fourth Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Project Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage - First	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt Service Coverage - All Debt	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE D: CONTRACTOR'S AND APPLICANT'S COST BREAKDOWN

Project Name: 0

Federal HTC Requests ONLY

Construction Period: Start Date: _____ Completion: _____

Residential Costs ONLY

	Trade Item	Total Cost [A] ⁽¹⁾	Commercial [B]	Residential [C]	Residential Costs ONLY	
					30% HTC Basis [D]	70% HTC Basis [E]
I.	Demolition					
II.	Accessory Structures					
III.	Site Construction					
	Earth Work					
	Site Utilities					
	Roads & Walks					
	Site Improvements					
	Lawns & Planting					
	Unusual Site Conditions					
	<i>Sub-total: Site Construciton</i>				0	
IV.	Buildings and Structures					
	Concrete					
	Masonry					
	Metals					
	Woods and Plastics					
	Thermal and Moisture Protection					
	Doors and Windows					
	Finishes					
	Specialties					
	Equipment					
	Furnishings					
	Special Construction					
	Conveying Systems					
	Mechanical					
	Electrical					
<i>Sub-total: Building and Structures</i>						
V.	Off-Site Improvements (List)					
	<i>Sub-total: Off-Site Improvements</i>				0	0
VI.	Other Costs (List)					
	<i>Hard costs only - Do not include those listed in Sched. A (e.g. "Other Construction Costs")</i>					
	<i>Sub-total: Other Costs</i>					
VII.	TOTAL CONSTRUCTION COSTS					

⁽¹⁾ Sum of Columns B and C.

Applicant Signature _____

Date _____

Applicant Signature _____

Date _____

Contractor Signature _____

Date _____

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE E: DEVELOPMENT SCHEDULE**

Project Name: 0 Date: 0

ACTIVITY	Scheduled Date: Month/Year	Check if Complete	Assigned Staff
Site Option/Contract Executed Environmental Review Completed Site Acquisition Zoning Approval			
Financing: Non-MFA Sources			
<u>Construction Loan</u>			
Application			
Approval			
Closing			
<u>Permanent Loan</u>			
Application			
Approval			
Closing			
<u>Tax Credit Equity</u>			
RFP			
Letter of Intent			
Partnership Closing			
<u>Other Loans & Grants</u>			
Type/Source: _____			
Application			
Award			
Closing			
<u>Other Loans & Grants</u>			
Type/Source: _____			
Application			
Award			
Closing			
Plans & Specifications Completed			
Relocation Plan Completed			
Building Permits Obtained			
Construction Start			
Construction Completion			
Fair Housing Marketing Plan Completed			
Placed-in-Service/C of O			
Lease-Up			

MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE F: ESTIMATE OF TAX CREDIT ALLOCATION AMOUNT

Project Name: 0

Date: 0

		30% HTC Basis	70% HTC Basis	For MFA Use
	Total Eligible Basis (From Schedule A)			
Less:	Federal grant used to finance qualifying development costs (specify source)			
Less:	Non-qualified non-recourse financing / federal subsidy (specify source)			
Less:	Non-qualifying excess portion of higher quality market rate units			
Less:	Historic Tax Credit (Residential Portion Only)			
Equals:	Eligible Basis			
Multiplied by:	Adjustment for Qualified Census Tract or Difficult to Develop Area ⁽¹⁾	100%	130%	
Equals:	Eligible Basis			
Multiplied by:	Applicable Fraction (Insert the lesser of the fractions calculated below.) Multiply line above by this fraction to obtain Total Qualified Basis below.	0.00%	0.00%	
Equals:	Total Qualified Basis			
Multiplied by:	Applicable Tax Credit Percentage			
Equals:	Total Tax Credit Request			

Applicable Fraction Calculation:			
Floor Space Fraction		Unit Fraction	
Total Residential Rental Floor Space		Total Units	
Low-Income Units Floor Space		Low-Income Units	
Percent Low-Income		Percent Low-Income	

(1) If site lies in either of these types of areas, insert 130%, otherwise insert 100%.

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE G: AFFORDABLE UNIT SET-ASIDE ELECTION**

Project Name: _____

The Owner irrevocably elects one of the Minimum Set-Aside Requirements:

At least 20% of the residential units in this development are rent-restricted and to be occupied by households with incomes at 50% or less of area median income; or

At least 40% of the residential units in this development are rent-restricted and to be occupied by households with incomes at 60% or less of area median income; or

Deep rent skewing option as defined in Section 42

Only Low Income Units as determined by the Project's Set Aside Election are eligible for Tax Credits. For example, if the 20/50 Election is chosen, only Units that are rent restricted and set aside for tenants whose income does not exceed 50% of Area Gross Median Income are qualified as Low Income Units.

In order to qualify for tax credits, projects must meet the minimum set-aside elected as of the close of the first year of the credit period.

Signature _____

Date: _____

Signature _____

Date: _____

**MFA HOUSING DEVELOPMENT PROJECT APPLICATION
SCHEDULE H: APPLICANTS' PREVIOUS PARTICIPATION CERTIFICATE**

Entity Name: _____

Role in Project: _____

Name of signer: _____

Title of signer: _____

Project Name	Project Address	Status of Project	# of Units	Type(s) of Financing	Most recent Compliance Audit	Most recent Physical Inspection	Was Project ever in Default During your participation?	List any Co-Developers or Consultants
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	

The undersigned being duly authorized, hereby represents and certifies under penalty of perjury that the foregoing information, to the best of his/her knowledge, is true, complete and accurate, and hereby consents to the release of information to MFA by any other State or Federal agency monitoring Project compliance.

Signature: _____

Date: _____

- 1) Each General Partner and any entity receiving all or part of the developer fee must submit a separate Schedule H listing all projects in which they have a financial interest.
- 2) If Executive Staff, Board Member, Commissioners, or other Principals have interests in projects other than those already listed on a Schedule H, they must submit a separate Schedule H listing the additional projects.

"Principal" means an Applicant, any general partner of an Applicant, and any officer, director, board member or any shareholder, general partner, managing member, or affiliate of an Applicant. It also includes any entity receiving any part of a developer fee for a Project. For Project compliance purposes (Section IV.C.11 of the QAP), Principal would include shareholders with interests of 25 percent or more, all officers of a corporation (whether Board members or employees), all general partners or members.

**MFA HOUSING DEVELOPMENT PROJECT APPLICATION
SCHEDULE I: PREVIOUS PARTICIPATION OF MANAGEMENT**

Development Name	Development Address	Owner Name/Address/Phone	# of Units	# of Affordable Units	Most recent Compliance Audit			Most recent Physical Inspection			On-site Manager	Type of Development (LIHTC, Market, HUD, USDA-RD, etc)
					Date:			Date:				
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
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					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					

The undersigned being duly authorized, hereby represents and certifies under penalty of perjury that the foregoing information, to the best of his/her knowledge, is true, complete and accurate. The undersigned hereby acknowledges that MFA may, at its option, verify the information provided herein by contacting the Owner listed above.

Name of Signer _____
 Title of Signer _____
 Company _____

Signature: _____ Date: _____

Rental Development Project Application

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
505-843-6880



Date of Application: _____	For MFA Use Project Number: _____
----------------------------	---

SECTION I: Application Type (Please check and complete all applicable items)

Application for Tax Credit Projects: _____

Amount of annual Federal credit requested: _____

Amount of State credit requested: _____

Federal tax credit set-aside: _____

Federal Tax Credit Application Type: _____

Loan Program: _____

Financing Type: _____

Const. loan amount requested: _____ Interest rate requested: _____

Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____

Financing Type: _____

Const. loan amount requested: _____ Interest rate requested: _____

Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____

Financing Type: _____

Const. loan amount requested: _____ Interest rate requested: _____

Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____

Financing Type: _____

Const. loan amount requested: _____ Interest rate requested: _____

Const/sale/lease up period (Mos.): _____ Term (years): _____

SECTION II: Project Address and Identification

Project Name: _____	Census Tract: _____
Project Address: _____	Congressional District: _____
_____	State Senate District: _____
City: _____	State House District: _____
State: _____ Zip Code: _____	
County: _____	

(Attach additional sheet(s) if necessary)

SECTION III: Type of Project

Federal Tax Credit Activity Type: _____
Development Activity Type: _____

SECTION IV: Description of Project

Subsidy, Period of Affordability - Use Restriction

Will project use project-based rental assistance subsidies? No. of Units
 Will project accept Section 8 vouchers or certificates?

Low Income Housing Tax Credit Applications:

Project owner irrevocably commits to an Extended Use Period of years.*
 *Includes 15 yr. compliance period

Section 811 Project Rental Assistance ("PRA")- Please check the box if you are interested in receiving more information on optional funding for Special Needs units under Option A of QAP criterion no. 10.
 Section 811 PRA funds may be available for five or more of the 30% AMI units reserved thereunder.

All other applications:

The owner irrevocably commits to a use restriction period of years.

Income, Rent and Occupancy Restrictions:

The minimum Federal set-aside (for Federal Tax Credit or Risk-Sharing projects only) is:

Note that only Low income units as determined by the Project's Set Aside Election are eligible for Tax Credits. For example, if the 20/50 Election is chosen, only Units that are rent restricted and set aside for tenants whose income does not exceed 50% of Area Gross Median Income are qualified as Low Income Units. See QAP §II.D.

All Projects:

List overall **income** restrictions

# Units	will be for households with incomes at or below	%	of the area median income
<input type="text"/>	will be for households with incomes at or below	30	of the area median income
<input type="text"/>	will be for households with incomes at or below	40	of the area median income
<input type="text"/>	will be for households with incomes at or below	50	of the area median income
<input type="text"/>	will be for households with incomes at or below	60	of the area median income
<input type="text"/>	will be for households with incomes at or below	80**	of the area median income
<input type="text"/>	will be for households with incomes at or below	120**	of the area median income
<input type="text"/>	will be for households with no income limitation**	** Not available for LIHTC	
0	Total Rental Units		

Weighted Average Income Level of All Units

List overall **rent** restrictions

# Units	will be for households with rents at or below	%	of the area median income
<input type="text"/>	will be for households with rents at or below	30	of the area median income
<input type="text"/>	will be for households with rents at or below	40	of the area median income
<input type="text"/>	will be for households with rents at or below	50	of the area median income
<input type="text"/>	will be for households with rents at or below	60	of the area median income
<input type="text"/>	will be for households with rents at or below	80**	of the area median income
<input type="text"/>	will be for households with rents at or below	120**	of the area median income
<input type="text"/>	will be for households at market rates**	**Not available for LIHTC	
0	Total Rental Units		

Weighted Average Rent Level of All Units

Target Population Information:

% of Units	Population Type	# of Units
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	Are support services being provided to clients?	<input type="text"/>
<input type="text"/>	Are costs of support services included in rent?	<input type="text"/>
<input type="text"/>	Number of handicap accessible units:	<input type="text"/>

Site Information

Site control is in the form of: Deed Option Lease (Term _____ years)

Purchase Contract Other _____

Expiration date of contract, option or lease _____ (month/year)

Name of Seller or Lessor: _____
 Address: _____
 City: _____ State: _____
 Telephone: _____ Zip code: _____

Is there an identity of interest between Buyer and Seller? _____

If yes, explain: _____

Area of site: Acres _____ OR Square Feet _____

Is site zoned for your development? _____ Zoning _____

If no, is site currently in the process of re-zoning? _____ Re-zoning _____

When is the zoning issue to be resolved? _____ (month/year)

Has locality approved site plan? _____

Has locality issued building permit? _____

Are all utilities presently available to the site? _____

If no, which utilities need to be brought to the site? _____

Who has responsibility of bringing utilities to site? _____

Buildings

	# of Bldgs	Low income	Market rate	Mgr/Empl	Common	Commercial	Total Units or Sq. Ft.
Buildings containing rental units	# of bldgs.	# of units	# of units	# of units			0
Gross square feet in buildings w/rental		Sq. Ft	Sq. Ft	Sq. Ft	Sq. Ft.	Sq.Ft.	0
Buildings w/o rental units	# of bldgs.			# of bldgs.			# of bldgs.
Gross square feet in buildings w/o rental				Sq. Ft.	Sq. Ft.	Sq. Ft.	0
Total Units		# of units	# of units	# of units			0
Total Sq. Ft.		Sq. Ft	Sq. Ft	Sq. Ft	#VALUE!	#VALUE!	#VALUE!

Number of floors in tallest building: _____

Total number of elevators _____

Please check all applicable items:

- Apartments Detached units High rise (4 stories or more) Walk-up Slab on grade
- Townhome Semi-detached/duplex Mid rise (2-3 stories) Crawl space
- Group Home Assisted living Manufactured Other _____

Structural system: _____ Exterior finish: _____

Floor system: _____

Appliances and Amenities Provided Without Additional Charge:

Amenity/Appliance	Market units	Low-income units
Refrigerator		
Gas range		
Electric range		
Dishwasher		
Disposal		
W/D hookups		
A/C or evap cooler		
Carpet		
Drapes/shades		
Exhaust fan		
Range hood		
Other		

Monthly Utility Allowance Calculations:

Utilities	Type of Utility (gas, electric, etc.)	Utilities paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	___ bdr
Heating							
Evap cooling/AC							
Cooking							
Lighting, etc.							
Hot water							
Water							
Sewer							
Trash							
Total Utility Allowance for Units:			0	0	0	0	0

Source of Utility Allowance Calculation: _____
 If Other: _____

Note: Documentation to support Utility Allowance claims from source identified above must be submitted with this application. Failure to do so will result in the application being deemed incomplete.

SECTION V: Acquisition Projects Only

Building(s) are vacant: _____

Does this project involve any relocation of tenants? _____

If yes, please describe the proposed relocation assistance and plan or attach a copy of the relocation plan: _____

Last date of occupancy mm/yy: _____ Year construction was completed: _____

Building(s) acquired or to be acquired from: _____

Building(s) acquired or to be acquired with Buyer's basis (Federal tax credit only): _____

Is this project a historic building? _____

Is the project located in a historic district? _____

Is a HUD approval for Transfer of Physical Assets required? _____

Are building(s) previously subsidized with Federal tax credits? _____

Acquisition Projects Only (Federal Tax Credit Only) continued:

List below, by address, the date the building was placed in service, the date the building was or is to be acquired, and the number of years between the date the building was placed in service and date of acquisition. Attach separate sheet(s) with additional information if necessary.

Address(es) of building(s)	Placed-in-service date (by most recent owner)	Proposed date of acquisition by applicant	Number of years between dates

SECTION VI: Developer/Project Contact Information

Name:	_____	Federal Tax I.D. Number:	_____
Address:	_____	Telephone:	_____
	_____	Fax:	_____
City:	_____	Project contact:	_____
State:	_____ Zip code: _____	Contact email:	_____

Organization type: _____
 *Nonprofits must complete nonprofit developer information in Section VII of this application

SECTION VII: Owner/Partnership/Borrower Information

Note: MFA reserves Federal Tax Credits to the partnership and general partners. Reservations are not transferable. Any unapproved change in general partner status results in reservation, commitment, or carryover forfeiture.

Name of Borrower or Ownership Entity:	_____
Federal Tax I.D. Number:	_____
Type of Entity:	_____
If Other:	_____

List below: if Partnership, limited partners with a 25% or greater interest and all general partners; or if corporation/LLC, stockholders with a 10% or greater interest and all officers. Indicate "Title" i.e individual, Gen. Partner, Ltd Partner, Pres., Secy., Treas., Stockholder, etc. as appropriate. **(Federal Tax Identification Numbers are Required)**

Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
	_____	Phone:	_____
City:	State: _____ Zip code: _____	Fax:	_____
Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
	_____	Phone:	_____
City:	State: _____ Zip code: _____	Fax:	_____
Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
City:	State: _____ Zip code: _____	Fax:	_____

SECTION VIII: Nonprofit Determination

(Federal Tax Credit and HOME Projects Only)

If this project is to be considered for the Nonprofit Set-Aside, or for additional points for nonprofit participation, the following information must be complete. To qualify for the nonprofit set-aside, the applicant must materially participate in the development and operation of the project throughout the compliance period. Within the meaning of IRC 469(h), "a (nonprofit) shall be treated as materially participating in an activity only if the (nonprofit) owns an interest in the project and is involved in the development and operation of the project on a basis which is regular, continuous or substantial."

Nonprofit name:	<input type="text"/>	E.I.N.:	<input type="text"/>
Street address:	<input type="text"/>	Telephone:	<input type="text"/>
City:	<input type="text"/>	State:	<input type="text"/>
Contact person:	<input type="text"/>	Zip code:	<input type="text"/>
		Email:	<input type="text"/>

Exemption Type:

Exempt purposes includes fostering of Low-Income Housing:

Will the nonprofit hold a 51% or greater interest in the General Partner (if partnership) or in the managing member (if LLC) and receive at least 10% of the developer fee?

Describe the nonprofit's participation in the development, operation, and/or management of the project:

- ◆ Attach current list of Board members for the nonprofit organization indicating their home addresses. If a member holds a PO Box, provide a signed affidavit referencing the Member's physical residential location.
- ◆ Attach a list of all paid full-time staff and sources of funds for annual operating expenses and current program.

SECTION IX: Previous Participation of Applicants

- ◆ List all previous affordable multifamily housing development experience for each General Partner and any entity receiving all or part of a developer fee using Schedule H. If any Principal has an interest outside of the interests of the entities they represent, that Principal must complete a separate Schedule H.
- ◆ "Principal" means an applicant, any general partner of an applicant, and any officer, director, commissioner, shareholder, general partner, managing member, or an affiliate of an applicant. It also includes any entity receiving any part of a developer fee for a project.

SECTION X: Previous Participation of Management

- ◆ List all previous multifamily management experience using Schedule I.

SECTION XI: Development Team Information

	Developer Fee Amount	² Identity of Interest?
Developer ¹		
General Partner ¹		
Contractor ¹		
Management Co. ¹		
Consultant ¹		
Architect ¹		
Attorney		
Accountant		

¹ Each member of the development team must submit a resume which lists qualifications, address, telephone number and contact person.

² Please check the appropriate box and list any direct or indirect, financial or other interest any member of the development team may have with another member of the development team, or between any of the parties involved in the acquisition, construction, refinancing, rehabilitation, or management of this project.

SECTION XII: Notification of Local Official

Provide the name of the smallest local political jurisdiction in which the project will be located and include the name and address of the chief executive officer of the political jurisdiction.

Political jurisdiction: _____
 Chief Executive Officer: _____
 Title: _____
 Address: _____

 City: _____ State: _____ Zip code: _____
 Telephone: _____

All attachments to this Development Project Application form are identified in the appropriate Exhibits Checklist. If you are applying for more than one program, separate copies must be provided for each program checklist. All attachments must be clearly labeled and provided in the order requested.

MFA reserves the right to request additional materials as needed or require changes in the information submitted herewith. MFA may adjust any or all figures provided herein for underwriting purposes.

Applicant Certification

The undersigned hereby applies for the intem(s) as specified above and represents that the property described herein will not be used for any illegal or restricted purposes. The undersigned certifies that the statements made in this application and all attachments are true, correct and complete. Verification may be obtained from any source necessary. The undersigned agrees to pay applicable fees when due, and MFA's direct costs within ten (10) days of MFA's request for payment. The undersigned further certifies and represents that he or she is duly authorized and has full authority to execute this Application on behalf of the Applicant and the Project Owner.

Original Signature(s) Required

Signature: _____ Date: _____
 Name: _____
 Organization _____ Title: _____

 Signature: _____ Date: _____
 Name: _____
 Organization _____ Title: _____

This portion of the final application has 4 pages. To print the whole application, you must select "entire workbook" under File, Print.

New Mexico Mortgage Finance Authority ("MFA")
Schedule M
Addendum to the Final Allocation Application

This is an application for **Final Allocation** of Federal low-income housing tax credits ("Credits"). The application must be **signed, dated and notarized** and the **first year's compliance monitoring fee attached**. The applicant must submit an updated Development Project Application, complete this form (Application for Final Allocation), and include all documents listed on the "Final Checklist." MFA staff will be available to assist you prior to the submission of this application.

I. General Project Information

Project Name _____

Amount of Annual Credit Requested \$ _____

Amount of Annual Credit Awarded at Reservation or Carryover \$ _____

Year the Tax Credit will begin _____

II. Owner Information

The Owner must be a legal entity (e.g. partnership, corporation etc.) or individual who will be named on IRS Form 8609 as the project owner.

- Current owner and will retain ownership
- Current owner and will not be part of the final ownership entity

If not, briefly describe the planned process and timing for disposition of this project.

Legal Status of Owner: Incorporated Registered Chartered Individual

III. Subsidies

A. Loan and Grant Subsidies If none apply, so indicate here:

	<u>Loan</u>		<u>Grant</u>		<u>Deducted From Eligible Basis</u>	
	Yes	Yes	Yes	Yes	No*	
Federal Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tax Exempt Financing**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
HOME Investment Partnership Act (HOME)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
RD 515 (formerly FmHA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Flexible Subsidy Loan (Flex Sub)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

***If no, must provide explanation and documentation.**

Does the use of any of the above categorize this project as "federally subsidized" and, therefore, eligible only for the 30% present value tax credit? Yes No

If yes, which ones? _____

**If tax exempt financing is used, show calculation demonstrating that at least 50% of the aggregate basis is financed with tax exempt bonds. (see Form A2)

III. Subsidies (Continued)

	<u>Loan</u>	<u>Grant</u>	<u>Deducted From</u>	
	Yes	Yes	<u>Eligible Basis</u>	
	Yes	Yes	Yes	No
Community Development Block Grant (CDBG)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State: (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local: (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private: (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Is taxable bond financing used? Yes No

What, if any, Credit Enhancements are used? (check all that apply)

- FHA Insurance
- Private Mortgage Insurance
- Letter(s) of Credit
- Other (specify)

Rent Subsidy Anticipated If none apply, so indicate here: Approval Date

RD (formerly FmHA)	_____ %	_____
HUD Project-Based Section 8 Certificates or HAP Contracts	_____ %	_____
HUD Vouchers	_____ %	_____
HUD Tenant-Based Certificates	_____ %	_____
Other HUD (specify) _____	_____ %	_____
State	_____ %	_____
Local	_____ %	_____
Owner	_____ %	_____
Other (specify) _____	_____ %	_____

Pre-Existing Subsidies (Rehab and Rehab/Acquisition projects only)

Indicate with an "X" any of the following that are currently utilized by the project.

- HUD Sec 221(d)(3)
- HUD Sec 236
- HUD Sec 236 and Tax Exempts
- HUD Sec 8 New Constr/Sub Rehab
- HUD Rent Sup/RAP
- RD (formerly FmHA) 515
- RD (formerly FmHA 521) (rent subsidy)
- Tax Exempt Bonds
- State/Local

Will the mortgage insurance or financing subsidy continue?
 Yes (specify term): _____
 No

IV. Tax Credit Syndication

List Syndication Installments: # Pay-In Periods _____ Over _____ Years
 Amounts: _____

Have the Tax Credits been Syndicated? Yes No

1. If no, attach a description explaining how the tax benefits will be used and how that will benefit the project.
2. If yes, answer each of the following:
 - Type of offering: Public Private
 - Type of Investor: Individuals Corporations

IV. Tax Credit Syndication (Continued)

Syndicators or Equity Sources:

1. Name Source _____
 Address _____
 City _____ State _____ Zip Code _____ Phone _____
2. Name Source _____
 Address _____
 City _____ State _____ Zip Code _____ Phone _____

Please use an additional sheet of paper if necessary to list all equity sources.

Does this project qualify for Historic Rehabilitation Credits*?

If yes, what is the credit amount? _____ (*provide award document: U.S. Park Service, Parts I & II)

LIHTC Syndication costs will be evaluated along with other project costs. Please list all costs of syndication associated with the project.

LIHTC Gross Proceeds	_____
Less:	
Attorney	_____
Accountant	_____
Consultant(s)	_____
Broker(s)	_____
Bridge Loan & Interest	_____
Syndicator	_____
Other (specify)	_____
Total Costs	_____
Net LIHTC Proceeds	_____
Net Proceeds/Gross Proceeds	_____ %

V. Compliance Monitoring Fee

A compliance monitoring fee for the first year is due at the time of final application submission. The annual fee is \$45 per Low-Income unit.

_____ Low income units X \$ 45 _____

(Make check payable to New Mexico Mortgage Finance Authority)

VI. Owner Elections

	<u>Locked in at</u>	<u>Locked in at</u>
	<u>Carryover</u>	<u>Place-In-Service Month</u>
Applicable Credit Percentage:	<input type="checkbox"/>	<input type="checkbox"/>
Gross Rent Floor:	<input type="checkbox"/>	<input type="checkbox"/>
Begin Credit Period:	<input type="checkbox"/> Begin Place-In-Service Year	<input type="checkbox"/> Begin Succeeding Taxable Year

* Must provide explanation and documentation.

VII. Applicant Certification

It is understood by the applicant that full Treasury regulations for the Low-Income Housing Tax Credit, have not been promulgated; therefore, all program materials for the New Mexico Mortgage Finance Authority's Low-Income Housing Tax Credit Program are subject to change.

The undersigned Project Owner hereby makes application to the New Mexico Mortgage Finance Authority for a final allocation of the Tax Credit dollar amounts that are listed in the application. The undersigned agrees that the New Mexico Mortgage Finance Authority will at all times be indemnified and held harmless against all losses, costs, damages, expenses, and liabilities of whatsoever nature or kind (including, but not limited to attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment, any loss from judgment from Internal Revenue Service) directly or indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request.

The undersigned, being duly authorized, hereby represents and certifies that the foregoing information, to the best of his/her knowledge, is true, complete and accurately describes the project. Misrepresentations of any kind will be grounds for denial or loss of the tax credits and may affect future participation in the tax credit program in New Mexico.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on this _____ day of _____, _____.
Month Year

[OWNER]

[SEAL]

By: _____

Its: _____

STATE OF _____, CITY OF _____)
) ss.
_____, COUNTY OF _____)

This instrument acknowledged before me this _____ day of _____, _____.
Month Year

by _____ of _____.

My Commission expires: _____.

Notary Public

Form A
New Mexico Mortgage Finance Authority
Final Certification of Sources and Uses of Funds

Purpose

The Final Certification of Sources and Uses of Funds Form is to provide New Mexico Mortgage Finance Authority ("MFA") with a certified report of all sources of financing for the Project and an accounting of how those funds were used in the acquisition and construction or rehabilitation of the Project. It is a requirement that all Project Owners complete this form in its entirety, that the amounts be accurate, and those same amounts be reflected in the independent certified public accountant's cost certification letter (MFA Form B) for the Project as a whole and broken down for each building in the project, if applicable (MFA Form C).

Who Must Sign and File

This certification must be signed by the Project Owner and attested to by an appropriate person in your organization.

Completing the Final Certification of Sources and Uses of Funds Form

Cost Categories Each item must be placed on the appropriate line item category. If you have an item that is not listed, use *Other* and specify the nature of the cost. All fees paid to consultants must be identified and listed on the "Consultant Fees" line.

Construction Costs Construction line items must equal the construction costs listed on Schedule D. This includes Demolition, Accessory Structures, Site Construction, Buildings and Structures, Off-Site Improvements, and Other Costs.

LIHTC Investor Equity Indicate the areas where the equity investor's funds apply. On page 4 complete the syndication cost information, if applicable.

Sources of Funds Use a separate column for each source of funding for your project. Place the funding amounts on the appropriate line item, (e.g. "Source 1 was a grant that was used to purchase the land.").

Eligible Basis This column contains XXXXXs on line items that are not allowed in Eligible Basis for Low-Income Housing Tax Credits.

Totals Subtotal each category and enter the total use of funds for each column on page 4.

Project Name: _____

0

**FORM A:
FINAL CERTIFICATION
OF SOURCES AND USES OF FUNDS**

LINE ITEM	Cost		FINANCING SOURCES				PV ELIGIBLE BASIS		Adjustment	
	Acquisition	New / Rehab	LIHTC INVESTOR EQUITY	1.	2. _____	3. _____	4. _____	30%	70%	High Cost 130%
PERMANENT FINANCING										
Bond Premium								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Credit Report								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Origination/Discount Points								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Credit Enhancement								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Title and Recording								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Legal Fees								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Prepaid MIP								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Other: _____								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Reserves and Escrows								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
SOFT COSTS										
Market Study										
Environmental Study										
Tax Credit Fees								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Appraisal										
Cost Certification										
Other: _____										
Other: _____										
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SYNDICATION COSTS										
Origination Costs								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Bridge Loan								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Tax Opinion								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Other: _____								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

Project Name: _____ 0 _____

**FORM A:
FINAL CERTIFICATION
OF SOURCES AND USES OF FUNDS**

LINE ITEM	Cost		FINANCING SOURCES					PV ELIGIBLE BASIS		Adjustment
			LIHTC INVESTOR EQUITY	1.	2. _____	3. _____	4. _____	30%	70%	High Cost Area 130%
	Acquisition	New / Rehab								
DEVELOPER FEES										
Developer Profit										
Consultant Fee										
Other: _____										
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT RESERVES										
Rent-Up Reserves								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Operating Reserves								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Replacement Reserves								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Escrows								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Other: _____								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
COMMERCIAL								XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
TOTAL USE OF FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CERTIFICATION BY OWNER: As owner(s) of the above-referenced low-income housing project, I certify that the project costs contained herein are accurate and actual costs associated with the construction, acquisition and/or rehabilitation of this project and that the sources of funds shown are the only funds received by the project for the development of the project. I authorize the New Mexico Mortgage Finance Authority to utilize this information to calculate the low-income housing tax credit or for the FHA-insured multifamily loan program.

Date

Signature of Project Owner

Printed Name of Signatory

Title of Signatory

Acknowledged before me this _____ day of _____, 20____

STATE OF _____)
CITY OF _____ COUNTY OF _____)SS

My commission expires: _____

Notary Public: _____

Exclusions from Basis (price increase)
Grants
Federal Subsidies
Historic Rehab Credits
Disproportionate Unit Standards
Total Exclusions

Aggregate Basis (Private Activity Bond Only)	
\$	-
\$	-
\$	-

Aggregate
Basis
(Private
Activity Bond
Only)

\$ -

\$ -

\$ -

or to 130%

\$ -

**FORM A2: Private Activity Bond Volume Cap
50% Test Summary**

This page is **only** needed for projects receiving housing tax credits in conjunction with private activity bond volume capacity financing

- | | |
|--|---|
| A. Amount of Tax Exempt Bond Financing: | |
| B. Cost of Land for Project (from Final A p.1): | |
| C. Eligible Basis in Project (from Final A, p. 4): | |
| D. Total Aggregate Basis (B+C) | - |

50% Test

Amount of Tax Exempt Bond Financing: divided by: Aggregate Basis % Financed	- - ----- #DIV/0!
---	----------------------------

Tax exempt financing must be greater than 50% of the Aggregate Basis for the project to qualify for special tax credit treatment under section 42(h)(4)

FORM B: FINAL COST CERTIFICATION LETTER

Independent Accountant's Report

(must be submitted with Final Allocation Package on Accounting Firm's letterhead)

Date: _____

Owner Name: _____

Project Name: _____

Project Number: _____ Owner's TIN: _____

We have examined the costs included in the accompanying New Mexico Mortgage Finance Authority ("MFA") Final Cost Certification (MFA "Form A") of _____ (the "Owner") for _____ ("the Project") as of _____, 2016. Form A is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Form A and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Form A was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by MFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, Form A presents fairly, in all material respects, the actual costs of \$_____ and eligible basis of \$_____ of the Owner for the Project as of _____, 20__, on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with MFA and should not be used for any other purpose.

We have no financial interest in the Project other than in the practice of our profession.

Name of Professional's Firm

Date

Signature of Professional

Title of Signatory

Printed Name of Signatory

This document has 7 pages. To print the whole application, you must select "entire workbook" under File, Print.

**FORM C: CERTIFICATION OF COSTS INCURRED IN THE CONSTRUCTION,
ACQUISITION, OR MAJOR REHABILITATION OF
A BUILDING IN A LOW-INCOME HOUSING PROJECT**

Part I: Project Information:

Project Name: _____

Project No.: _____

Full Project Address: _____

Project Owner: _____

Project Owner's Full Address: _____

Total Number of Buildings in Project: _____

Check One: New Construction

Major Rehabilitation

Acquisition

Acquisition & Major Rehabilitation

Check One: Federal Subsidy Is Involved

Federal Subsidy Is **Not** Involved

As the Project Owner of the above-referenced low-income housing Project, I certify, under penalty of perjury, that the information contained above and on subsequent pages, which are incorporated by reference herein, is true and correct and that the costs shown above and on the attached pages are includable in "eligible basis" as that term is used in Internal Revenue Code Section 42.

Signature of Project Owner(s): _____

Printed Name of Signatory: _____

Title of Signatory: _____

If signatory is different from the owner, please supply evidence signatory is authorized to sign for the Project Owner.

Date signed: _____

FORM C:

Total

All Buildings Total:

Total Number of Units	-
Building Street Address:	
Employee Units:	-
Total Number of Low-Income Units:	-
Percentage of Low-Income Units:	#DIV/0!
Total Square Footage of all Units:	-
Total Square Footage of Low-Income Units:	-
Percentage of Low-Income Square Footage :	#DIV/0!
Placed-In-Service Date:	
New Construction or Rehabilitation Placed-In-Service Date:	
Begin Credit Period: Begin Place-in-Service Month	
Begin Succeeding Taxable Year	

Part III: Costs Which Are Includable in "Eligible Basis"

1. Hard Construction Costs	
Site Work:	-
Construction of Units:	-
Common Area Construction:	-
Overhead:	-
Profit:	-
General Requirements:	-
Other (Specify: _____)	-
Total Hard Construction Costs:	-
2. Soft Construction Costs:	
Architecture and Engineering and Legal:	-
Fees and Permits:	-
Construction Interest:	-
Other (Specify Const Insurance & Environmental):	-
Total Soft Construction Costs:	-
3. Buildings Eligible Basis <small>(Add the Total Hard and Soft Construction Costs)</small>	-
Building Applicable Fraction	#DIV/0!
130% High Cost Area Adjustment? <small>(if applicable enter %):</small>	
Applicable Credit Percentage	
4. Buildings Eligible Basis - Acquisition Costs	-
Building Applicable Fraction	#DIV/0!
Applicable Credit Percentage	
5. Approved Tax Credit Amount	#DIV/0!

FORM OF OWNER'S ATTORNEY'S OPINION
[Must be Submitted with Final Allocation Package on Firm's Letterhead]

Date: _____

Project Owner Name: _____

Type of Entity: _____

Project Name: _____ Project Owner's TIN: _____

We have acted as counsel to _____ (the "Project Owner") in connection with the Project Owner's request to the New Mexico Mortgage Finance Authority ("MFA") for an allocation of Housing Tax Credits with respect to the Project described in the Project Owner's Final Allocation Package.

We have examined the Project Owner's Final Allocation Package (the "Package"), including the Project Owner's Certification and the Land Use Restriction Agreement for Low-Income Housing Tax Credits between the Project Owner and MFA (the "Land Use Agreement"). We have also reviewed the opinion issued by the Project Owner's tax accountant relative to the costs of the Project, Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations issued pursuant thereto (the "Code") and such other records of the Project Owner and binding authority as we believe to be applicable to the issuance of the opinions hereinafter expressed.

Based upon the foregoing reviews and upon due investigation of such matters as we deem necessary in order to render the opinions hereinafter expressed, but without expressing any opinion as to the reasonableness of the estimated or projected figures set forth in the Package, we are of the opinion that:

1. To the best of our knowledge, none of the information, representations or warranties provided to MFA by the Project Owner in the Package, which includes the Project Owner's Certification and the Land Use Agreement is untrue or incomplete in any material respect.
2. The building(s) which is (are) the subject of the Package have been "Placed in Service" within the meaning ascribed to such quoted term in Section 42 of the Code.
3. Each building which is the subject of the Package meets the ten (10) year "look-back" requirements of Section 42(d)(2)(B) of the Code. **[If building does not meet requirements but is eligible for exception, so state and identify the basis for qualification.] [Delete if no acquisition credit is requested.]**
4. The Project Owner has good and marketable fee simple title to each of the buildings which is the subject of the Package.
5. The inclusion in "eligible basis" of each building of the cost items set forth in Form A, MFA Final Cost Certification complies with applicable requirements of the Code.
6. The Project is a qualified low-income housing project described in Section 42(h)(5)(B) of the Code. **[Delete if inapplicable.]**
7. If all information and representations contained in the Package (including the Project Owner's Certification) and all current law remain unchanged, the Project Owner is entitled under the applicable provisions of the Code to an allocation of Tax Credits for each building which is the subject of the Package.

This opinion is rendered solely for the purpose of inducing MFA to allocate Tax Credits to the Project Owner. Accordingly, it may be relied upon only by MFA and not by any other party for any other purpose.

Name of Professional's Firm

Date

Signature of Professional

Title of Signatory

Printed Name of Signatory

FORM 8609 CERTIFICATION

The undersigned is the _____ of _____, a
_____, the owner (the "Project Owner") of the building(s)
located
at _____ in _____
_____, New Mexico (the "Building(s)") and, in connection with Project Owner's request for issuance of a
U.S. Department of the Treasury, Internal Revenue Service Form 8609 by the New Mexico Mortgage Finance
Authority ("MFA") with respect to said Building(s), certifies to MFA that:

1. This Certificate is provided to MFA in order to induce it to issue a Form 8609 in the amount(s) specified by the Project Owner with respect to the Building(s). Project Owner understands that MFA is relying upon information supplied by the Project Owner in issuing a Form 8609 and that MFA has made no independent investigation nor does MFA have knowledge of the basis for the statements made by Project Owner in its request.

2. Each of the Building(s) constitutes a "qualified low-income building" within the meaning of, and otherwise is in compliance with, Section 42 of the Internal Revenue Code of 1986 (the "Code") and Treasury regulations promulgated thereunder.

3. The Building(s) was (were) "Placed in Service" on _____, _____, as that term is defined in Section 42 of the Code and Treasury regulations thereunder.

4. The information supplied by the Project Owner in connection with its request is true and correct to the best of the undersigned's knowledge and belief as of the date of this Certificate.

5. The "eligible basis" of the Building(s) has been determined in accordance with Section 42(d) of the Code, and has been reduced by the amount, if any, equal to the portion of the adjusted basis of any Building which is attributable to residential rental units in the Building which are not low-income units and which are above the average quality standard of the low-income units in such Building. In determining the "qualified basis" of any Building, the "at risk" rules have been applied to the extent and in the manner required by Section 42(k) of the Code.

6. If any Building which is the subject of Project Owner's request is an existing building,

(a) except as stated below, the Building was acquired by purchase (as defined in Section 179(d)(2) of the Code). ***[If there are no exceptions, so state.]***

(b) except as stated below, there is a period of at least ten (10) years between the date of the acquisition of the Building by the Project Owner and the later of:

(1) the date the Building was last Placed in Service, or

(2) the date of the most recent "non-qualified substantial improvement" of the Building (as that term is defined by Section 42(d)(2)(D)(i) of the Code). ***[If there are no exceptions, so state.]***

(c) except as stated below, the Building was not previously placed in service by the Project Owner or any "related person" (as that term is defined by Section 42(d)(2)(D)(i) of the Code). ***[If there are no exceptions, so state.]***

(d) Except as stated below, the Project Owner will pay or incur rehabilitation expenditures with respect to the Building meeting the requirements of Section 42(e) of the Code. **If there are no exceptions, so state.**

7. There are no holders of recorded liens on the Project or, if there are such recorded lienholders, Project Owner has obtained their consents to the recording of the Land Use Restriction Agreement, copies of which are attached hereto.

Signed this _____ day of _____, 20_____.

PROJECT OWNER: _____

a _____

By: _____

Its: _____

**LENDER'S CONSENT AND AGREEMENT TO RECORDING OF AND
SUBORDINATION TO LAND USE RESTRICTION AGREEMENT**

_____ (the "Lender") provides to the New Mexico Mortgage Finance Authority ("MFA") this consent to the recording of a Land Use Restriction Agreement with respect to the real property described in Exhibit A attached hereto (the "Land").

RECITALS

1. _____ is the owner ("Project Owner") of the multifamily rental housing Project located on the Land and has applied to MFA for an allocation of Housing Tax Credits ("Credits") with respect to the Project pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").
2. The Lender is the beneficiary of a deed of trust covering the Land.
3. Section 42(h)(6) provides that Credits are not allowed unless an "extended low-income housing commitment" is in effect with respect to the Project in the form of an agreement between MFA and the Project Owner (the "Land Use Restriction Agreement") which is recorded as a restrictive covenant against and running with the Land.
4. Although the Land Use Restriction Agreement terminates in the event of foreclosure, Section 42(h)(6)(e)(ii) of the Code requires that certain limitations as to termination of tenancies and rent increases survive such foreclosure for a period of three years.
5. To assure the survival of the limitations described in said Section 42(h)(6)(e)(ii), MFA requires, as a condition to its execution of the Land Use Restriction Agreement, that the holders of all security interests in the Land recorded prior to the recording of the Land Use Restriction Agreement consent to such recording and acknowledge and agree to the priority of the provisions of Section 42(h)(6)(e)(ii) of the Code.

CONSENT AND AGREEMENT

Lender hereby consents to the recording of the Land Use Restriction Agreement as a restrictive covenant encumbering and running with the Land, and acknowledges and agrees that those provisions of the Land Use Restriction Agreement which set forth the requirements of Section 42(h)(6)(e)(ii) of the Code are superior to Lender's security interest and shall continue in full force and effect for a period of three (3) years following the date of acquisition of the Project by foreclosure (or instrument in lieu of foreclosure).

IN WITNESS WHEREOF, Lender has caused this Consent and Agreement to be executed by its duly authorized officers this _____ day of _____, 20____.

(S E A L)

(Lender)

By: _____

Its: _____

ACKNOWLEDGMENT

State of _____

County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 200__ by _____ as _____ of _____, a _____ on behalf of _____ said _____.

Notary Public

My commission expires:

EXHIBIT A

PROPERTY DESCRIPTION

“AS-BUILT” ARCHITECT CERTIFICATION

I have inspected the Project known as _____(project name) located in _____(city, state) and hereby certify that the Project has been built in accordance with the drawings and specifications dated _____ and prepared by _____.

Based upon this inspection, to the best of my knowledge and belief, the Project has been constructed in conformance with (1) all local, state and federal laws designated as the development standard for the Project including, but not limited to, the Fair Housing Laws as they pertain to handicapped accessibility and adaptability; (2) all local health, safety and building codes; (3) the requirements set forth in the New Mexico Mortgage Finance Authority’s (“MFA”) Low-Income Housing Tax Credit Program Qualified Allocation Plan and in MFA year 20__ Mandatory Design Standards for Multifamily Rental Housing; and (4) all commitments made in the initial Project application regarding design and building, unless otherwise approved in writing by MFA.

Based upon examination of the drawings and specifications, all items in the initial Low-Income Housing Tax Credit application committed to including, but not limited to, Green Building Criteria [as outlined in Exhibit A attached hereto] and overall design elements are incorporated. [Bracketed language above applies only to projects using MFA Green Building Criteria. Projects using other green criteria should delete. MFA Green Criteria projects must attach Green Criteria checklist as submitted with Initial Application as Exhibit A.]

Architect
(S E A L)

Date: _____

Based on the foregoing representations by the Architect, the Project Owner certifies that the Project has been constructed in accordance with the requirements set forth above.

Project Owner

Date

Project Owner

Date

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
PROJECT OWNERSHIP PROFILE**

Project Name: _____

Project Number: _____

PROJECT ADDRESS: _____

City: _____ State: _____ Zip: _____

On-Site Property Management Contact Person: _____ Phone: _____

Fax: _____ Email: _____

Status of Partnership Incorporation, Registration, etc: _____

PARTNERSHIP/OWNER NAME: _____

PARTNERSHIP TAX I.D. NUMBER: _____

PARTNERSHIP TAX YEAR: _____

1) **GENERAL PARTNER** : _____ Phone: _____

Street: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Phone: _____

CO-GENERAL PARTNER (if applicable): _____ Phone: _____

Street: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Phone: _____

2) **LIMITED PARTNER**: _____

Contact Person: _____ Phone: _____

Address: _____ Email: _____

3) **MANAGEMENT COMPANY**: _____

Management Company Tax ID number: _____

Contact Person: _____ Phone: _____

Address: _____ Email: _____

PROJECT PERMANENT FUNDING SOURCES: (Report all sources including grants; copy this page if needed)

LENDER: _____

Contact Person: _____

Address and Email: _____

Phone Number: _____ Loan Amount: \$ _____

LENDER: _____

Contact Person: _____

Address and Email: _____

Phone Number: _____ Loan Amount: \$ _____

LENDER: _____

Contact Person: _____

Address and Email: _____

Phone Number: _____ Loan Amount: \$ _____

Consent to Record LURA must be received from each lender including construction loan lender if permanent loan has not funded.

SIGNATURE: _____ Date: _____
(General Partner)

PRINT NAME: _____
(General Partner)

LOW INCOME HOUSING TAX CREDIT LAND USE RESTRICTION AGREEMENT

ALLOCATION OF TAX CREDITS TO THIS PROJECT IS BASED ON THE FOLLOWING:

- Tax Credits from Set-Aside for Projects involving Qualified Non-Profit Organizations
- Points Given for Participation by Qualified Non-Profit Organization
- Additional Owner Agreements [Section 6]
- Additional Low-Income Targeting [Section 5(b)]
- Extended term of Occupancy Restriction [Section 3(b)]

THIS LAND USE RESTRICTION AGREEMENT, dated as of _____ 201__, is by and between **[Owner_Name]**, a **[Owner_Entity_Type]**, and its successors and assigns (the "Project Owner"), and the New Mexico Mortgage Finance Authority, a body politic and corporate constituting a governmental instrumentality of the State of New Mexico ("MFA").

WITNESSETH:

WHEREAS, the Project Owner is the owner of a **[txtProjectTotalUnits]** (**[Project_Total_Units]**) unit rental housing development located on lands in the City of **[Project_City]**, County of **[Project_County]**, State of New Mexico, more particularly described in Exhibit A hereto, known as **[Project_Name]** (the "Project"); and

WHEREAS, MFA is the Housing Credit Agency for the State of New Mexico (the "State") for the allocation of Low Income Housing Tax Credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the "Code"); and

WHEREAS, the Project Owner has applied to MFA for an allocation of Tax Credits to the Project and has made certain representations to MFA in its Rental Project Application (as the same may have been amended or supplemented by the Project Owner's Carryover Allocation Application, if any, progress reports and the Project Owner's Final Allocation Application, collectively, the "Application") about the Project, including representations as to the number of Low-Income Units (hereinafter defined) and the term of occupancy restrictions, upon which representations MFA relied in considering the Application and making a reservation and allocation of Tax Credits; and

WHEREAS, the Code requires in connection with the allocation of Tax Credits that the Project Owner execute and deliver this land use restriction agreement (this "Agreement") and that this Agreement be recorded in the official land records of the county in which the Project is located in order to create covenants running with the land for the purpose of enforcing certain

requirements of Section 42 of the Code and certain additional undertakings of the Project Owner in connection with its Application by regulating and restricting the use and occupancy of the Project as set forth herein including Project Owner's agreement to maintain the Project in accordance with the Occupancy Restrictions and other requirements of this Agreement during the entire Extended Use Period; and

WHEREAS, based upon the Project Owner's representations, MFA is willing to allocate Tax Credits to the Project provided that the Project Owner, by entering into this Agreement, consents to be regulated by MFA in order that MFA may enforce the occupancy restrictions and other covenants, terms and conditions of this Agreement; and

WHEREAS, the Project Owner, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use and occupancy of the Project shall be and are covenants running with the Project land for the term stated herein and shall be binding upon all subsequent owners of the Project for such term.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Project Owner and MFA agree as follows:

1. Recording and Filing; Covenants to Run with the Land.

(a) This Agreement shall be placed of record in the real property records of the county in which the Project is located and, except as otherwise provided herein, the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Project Owner and its successors and assigns, and MFA and its successors and assigns, and all subsequent owners of the Project or any interest therein, for the period prescribed in Section 3 hereof.

(b) The Project Owner hereby agrees that any and all requirements of the laws of the State to be satisfied in order for the provisions of this Agreement to constitute restrictive covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. During the term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective as to successors and/or assigns of all or any portion of the Project, regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

2. Representations, Covenants and Warranties of the Project Owner. The Project Owner covenants, represents and warrants as follows:

(a) The Project Owner is duly organized under the laws of the State of [STATENAME], and is qualified to transact business under the laws of the State.

(b) The Project Owner has good and marketable title to the premises constituting the Project.

(c) Each building which is the subject of an allocation of Tax Credits is, or, by not later than the last day of the first year of the "credit period," as defined in Section 42(f) of the Code ("Credit Period"), will be, a "qualified low-income building" as defined in Section 42(c)(2) of the Code ("Qualified Low-Income Building"), and the Project constitutes or will constitute a "qualified low-income housing project" as defined in Section 42(g) of the Code ("Qualified Low-Income Housing Project").

(d) The Project Owner will maintain each building which is the subject of an allocation of Tax Credits as a Qualified Low-Income Building and will maintain the Project as a Qualified Low-Income Housing Project during the compliance period as defined in Section 42(i)(1) of the Code ("Compliance Period") and during any extended use period as defined in Section 42(h)(6)(D) of the Code ("Extended Use Period") to the extent required in Section 3(b) of this Agreement.

(e) The Project Owner shall not discriminate on the basis of race, creed, color, sex, age, marital status, national origin, disability or familial status in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project, and shall neither refuse to lease a unit in the Project, **nor give preference** to the holder of a voucher or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937 on account of the status of the prospective tenant as such holder.

(f) The Project Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project; or permit the use of any residential rental unit for any purpose other than rental housing.

(g) The Project Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other provisions in conflict herewith.

(h) If the Project Owner becomes aware of any situation, event or condition that would result in noncompliance of the Project or the Owner with Section 42 of the Code, the Project Owner shall promptly give written notice thereof to MFA.

(i) The Project Owner shall insure that the Low-Income Units (as hereinafter defined) shall be of comparable quality to other units, if any, in the Project.

(j) If the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms hereof.

(k) The Project Owner has obtained or will obtain the consent of any prior recorded lienholder(s) to the recording of this agreement and to the subordination of the lien(s) of such lienholder(s) to this Agreement.

(l) A "qualified nonprofit organization," as defined in Section 42(h)(5)(C) of the Code, shall own an interest in the Project and shall "materially participate," within the meaning of Section 469(h) of the Code, in the development and operation of the Project throughout the Compliance Period. **{Delete this section if no Non-Profit involvement}**

3. Term of Restrictions.

(a) Except as otherwise provided herein, this Agreement, including the occupancy restrictions set forth in Sections 5 and 6 hereof, shall be in effect for each building which is part of the Project during the Compliance Period, as defined in Internal Revenue Code Section 42(i)(1), which is a period of 15 taxable years beginning with the 1st taxable year of the credit period with respect thereto.

(b) In addition, the Project Owner shall comply with the occupancy requirements set forth in Sections 5 and 6 hereof at all times during the Extended Use Period, ending on the date which is **[txtAdditionalYears]** **([Additional_Years])** years after the close of the Compliance Period.

(c) This Agreement and the Extended Use Period for any building which is part of the Project shall terminate:

(i) on the date the Project or the building is acquired by foreclosure or deed in lieu of foreclosure unless the Secretary (hereinafter defined) determines that such acquisition is part of an arrangement with the Project Owner a purpose of which is such termination; or

(ii) on the date after the last day of the Extended Use Period. Project Owner waives the right to submit a written request to MFA to find a person to acquire the Project Owner's interest in the low-income portion of the buildings and to terminate this Agreement if MFA is unable to present a "qualified contract" in accordance with Section 42(h)(6)(E)(i)(II) of the Code.

(d) If this Agreement is terminated pursuant to the acquisition of the Project or the building by foreclosure or deed in lieu of foreclosure, during the period of three (3) years following such termination, the Project Owner shall not evict or terminate the tenancy of an existing tenant of any Low-Income Unit (hereinafter defined) other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such Low-Income Unit.

(e) During the Extended Use Period the Project Owner shall not evict or terminate the tenancy of an existing tenant of any Low-Income Unit (hereinafter

defined) other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such Low-Income Unit.

4. Qualified Low-Income Housing Project. The Project Owner shall maintain the Project as a Qualified Low-Income Housing Project at all times, commencing not later than the last day of the first year of the Credit Period and continuing throughout the term of this Agreement. To this end, and without limitation, the Project Owner shall assure that all of the residential units in the Project are available for use by the general public, suitable for occupancy and used on other than a transient basis.
5. Occupancy Restrictions.

Minimum Federal Set-Aside Election:

(a) For the purpose of Section 42(g)(1) of the Code, the Project Owner elects that at least **[txtMinSetAside1] percent ([MinSetAside1]%)** of the residential rental units in the Project shall be both rent-restricted (as hereinafter defined) and occupied by individuals or families whose income is **[txtMinSetAside2] percent ([MinSetAside2]%)** or less of area median gross income.

Total Set-Aside:

(b) Notwithstanding the election described in subsection (a) above, the Project Owner covenants and agrees that, commencing not later than the last day of the first year of the Credit Period and continuing throughout the term of this Agreement, at least **[txtGIUnits1] ([GIUnits1])** of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is **[txtGIPer1] percent ([GIPer1]%)** or less of area median gross income, at least **[txtGIUnits2] ([GIUnits2])** of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is **[txtGIPer2] percent ([GIPer2]%)** or less of area median gross income and at least an additional **[txtGIUnits3] ([GIUnits3])** of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is **[txtGIPer3] percent ([GIPer3]%)** or less of area median gross income. All of the foregoing residential rental units are collectively referred to herein as the "Low-Income Units", and, with respect to all of such Low Income Units, "median gross income" shall be determined in accordance with the Code. The Project Owner further agrees that additional units in the Project shall be both rent-restricted and occupied by low-income individuals or families whose incomes meet the requirements of this subsection (b) to the extent necessary to maintain the "applicable fraction," as defined in Section 42(c)(1)(B) of the Code, at not less than percentage(s) shown on Exhibit B hereto for each taxable year of the Extended Use Period. A unit is "rent-restricted" if the gross rent with respect to such unit does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit, all as determined in accordance with Section 42(g) of the Code.

(c) The determination of whether an individual or family is a Qualifying Tenant (that is, meets the income requirements of subsection (b) of this

Section 5) shall be made at least annually on the basis of the income of such Qualifying Tenant(s). Any unit occupied by an individual or family who is a Qualifying Tenant at the commencement of occupancy shall continue to be treated as a Low-Income Unit during such occupancy notwithstanding an increase in the income of such individual or family above the income limitation applicable under subsection (b) of this Section 5 provided that, if such Qualifying Tenant's income subsequently exceeds one hundred forty percent (140%) of the applicable income limit, such unit shall no longer be a Low-Income Unit if after the determination of such increase, but prior to the next determination, any residential unit of comparable or smaller size is rented to a tenant who is not a Qualifying Tenant.

(d) As a condition to occupancy, each individual or family who is intended to be a Qualifying Tenant shall be required to sign and deliver to the Project Owner a fully completed Tenant Income Certification in the form provided from time to time by MFA, and the income and assets of such individual or family must be verified in the manner prescribed by MFA.

(e) The form of lease to be utilized by the Project Owner in renting any unit in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification or the failure by such tenant to execute a Tenant Income Certification annually.

6. Additional Project Owner Agreements. The Project Owner further covenants and agrees that beginning not later than the last day of the first year of the Credit Period, as defined in Section 42(f) of the Code and continuing through the Compliance Period and Extended Use Period:

(a) At least **[txtNoOfTargetUnits] (nbrunits)** of the residential rental units in the Project shall be constructed, equipped, set aside and made available for occupancy on a priority basis to **[Seniors or Families with Children]** at all times during the term of this Agreement, and the Project Owner shall provide evidence to MFA of any license, permit or other governmental approval required for such occupancy. Project Owner shall maintain and implement a plan reasonably satisfactory to MFA to provide social services to the residents of the units set aside for **[Seniors or Families with Children]**, more particularly described in Exhibit C. Any termination in service contracts will require notification to the MFA. No more than a 30-day gap in service provision will be allowed or the Project will be considered out of compliance until a new contract is executed.

(b) At least **[txtNoOfTargetUnits] (nbrunits)** of the residential rental units in the Project shall be constructed, equipped, set aside and made available for occupancy on a priority basis to **Special Needs Households** as described in Exhibit D.

(c) Project Owner shall maintain a Financial Literacy Program as described in Exhibit E. Any termination in service contracts will require notification to the

MFA. No more than a 30-day gap in service provision will be allowed or the Project will be considered out of compliance until a new contract is executed.

(d) Of the residential units which are to be subject to the restrictions of Section 5 hereof, at least **[txtNbrbedrooms1] ([Nbrbedrooms1]) shall be [bedsize1]-bedroom units** and at least **[txtNbrBedrooms2] ([Nbrbedrooms2]) shall be [bedsize2]-bedroom units.**

7. Compliance Monitoring; Fees.

(a) The Project Owner acknowledges that Section 42 of the Code requires MFA to monitor the compliance by the Project Owner and the Project with the requirements of said Section 42, and agrees to strictly comply, at all times, with MFA Tax Credit Monitoring and Compliance Plan, as amended from time to time, (the "Compliance Plan"), the terms and provisions of which are by this reference incorporated in this Agreement and made a part hereof. In the event of any conflict between the provisions of this Agreement and the provisions of the Compliance Plan, this Agreement shall control.

(b) In addition to its specific agreements and undertakings in this Agreement, the Project Owner shall take or cause to be taken all other and further actions required of the Project Owner by MFA in order to satisfy such monitoring requirement, which actions shall be designated in writing by MFA to the Project Owner not less than sixty (60) days (or such other period as may be required by law) prior to the date by which such actions must first be taken.

(c) The Project Owner agrees to pay to MFA such fees in such amounts and at such times as MFA shall, in its sole discretion, reasonably require the Project Owner to pay in order to reimburse MFA for the costs of such monitoring.

8. Project Owner Certifications and Reports.

(a) Within ninety (90) days of the end of the first year of the Credit Period, the Project Owner shall provide to MFA a copy of the First Year Certification Part II of IRS Form 8609, as filed or prepared for filing with the Internal Revenue Service and executed by or on behalf of the Project Owner.

(b) The Project Owner shall annually provide to the Secretary of the United States Department of the Treasury (the "Secretary"), or to his or her designee, at such time and in such manner as the Secretary shall prescribe, a certification as to the continuing compliance of the Project with requirements of Section 42 of the Code. A copy of such annual certification shall be provided to MFA.

(c) The Project Owner shall provide to MFA, annually, on January 31st, or the next business day, a Certification of Continuing Program Compliance and an Occupancy Report, each in the form provided, from time to time, by MFA, together with a copy, for each building, of the most recently filed Schedule A, Annual Statement, IRS Form 8609.

(d) The Project Owner shall certify to MFA annually, that current utility allowances are used in the calculation of rents for the Project.

(e) The Project Owner must annually submit to MFA, within 120 days of fiscal year end, through MFA's *Compliance On-Line* system, annual audited property financial statements to MFA, as well as annual operating budgets.

(f) On a monthly basis, the Project Owner must provide tenant income certifications and property vacancy data using the *WCMS On-Line System*.

(g) The Project Owner shall maintain in its records and provide to MFA copies of any and all notices and correspondence from or with the Internal Revenue Service concerning the Project or the Project Owner.

(h) In addition to the information provided for in Section 7 and in this Section 8, the Project Owner shall provide any other information, documents or certifications requested, from time to time, by MFA with respect to the Project's physical, operational and financial condition and residents which MFA reasonably deems necessary to substantiate the Project Owner's continuing compliance with the provisions of this Agreement and Section 42 of the Code.

9. Transfer Restrictions.

(a) The Project Owner shall not sell, assign, convey, transfer or otherwise dispose of the Project or any building in the Project without the prior written consent of MFA. Such consent shall be given provided that: (i) the Project Owner is in compliance with the requirements of this Agreement and of Section 42(j)(6) of the Code; (ii) the proposed transferee of the Project evidences, to the reasonable satisfaction of MFA, by its performance with respect to other Tax Credits or government-assisted housing projects and otherwise, its willingness and ability to comply with the terms of this Agreement; and (iii) MFA shall be paid a transfer fee, as determined, from time to time, by MFA but not to exceed \$2,000. In no event shall the Project Owner dispose of any portion of any building in the Project to any person unless all of such building is disposed of to such person. For the purposes of this subsection, transfer of any of the ownership interests in Project Owner or Project Owner's partner(s) or member(s), as applicable, before the end of the Compliance Period shall be deemed a transfer of the Project.

(b) The Project Owner shall include, verbatim or by incorporation by reference, all requirements and restrictions contained in this Agreement in any deed or other documents transferring any interest in the Project or in any building in the Project to any other person or entity to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express written assumption of this Agreement by any such transferee.

10. Physical Maintenance/Management/Books/Records/Inspections.

- (a) The Project Owner shall maintain each building in the Project such that all units are suitable for occupancy, taking into account applicable health, safety and building codes, and otherwise in a manner reasonably satisfactory to MFA.
- (b) The Project Owner shall provide for the management of the Project in a manner reasonably determined by MFA to assure compliance with this Agreement. Any management contract entered into by the Project Owner involving the Project shall provide that it shall be subject to termination, without penalty and with or without cause, upon written request by MFA addressed to the Project Owner. Upon such request the Project Owner shall immediately terminate the contract within a period of not more than thirty (30) days and shall make arrangements reasonably satisfactory to MFA for continuing proper management of the Project.
- (c) The books, contracts, records, computerized data, documents and other papers relating to compliance of the Project Owner and the Project with Section 42 of the Code and with this Agreement and to the eligibility of the Project Owner to claim Tax Credits with respect to the Project shall at all times be maintained at the Project, or at the Project Owner's principal place of business in the State of New Mexico, in reasonable condition for proper audit and shall be subject to examination and inspection and copying at any reasonable time by MFA or its authorized agents. MFA shall also have the right to enter and inspect the Project at any reasonable time.
- (d) Project Owners shall keep records for each Qualified Low-Income Building in the Project showing the following:
- (i) the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each unit);
 - (ii) the percentage of residential rental units in the building that are Low-Income Units;
 - (iii) the rent charged on each residential rental unit in the building (including any utility allowance);
 - (iv) the number of occupants in each Low-Income Unit;
 - (v) the Low-Income Unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
 - (vi) the annual income certification of each Qualifying Tenant;
 - (vii) documentation to support each Qualifying Tenant's income certification;
 - (viii) the eligible basis and qualified basis of the building at the end of the first year of the credit period; and

(ix) the character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the Project).

Project Owners shall keep all records for each building for a minimum of six years after the due date (with extensions) for filing the Project Owner's federal income tax return for any year; provided, that the records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.

11. Enforcement.

(a) The Project Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code or of this Agreement. Moreover, the Project Owner covenants to take any lawful action (including amendment of this Agreement) as may be necessary, in the opinion of MFA, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the United States Department of the Treasury or the Internal Revenue Service from time to time pertaining to the Project Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Project Owner shall promptly advise MFA as to the date each building in the Project is a Qualified Low-Income Building.

(c) In the event of any failure of the Project Owner to comply with the provisions of Section 42 of the Code or of this Agreement, MFA shall inform the Project Owner by written notice of such failure and provide the Project Owner a period of time in which to correct such failure. If any such failure is not corrected to the satisfaction of MFA within the period of time specified by MFA, which shall be at least thirty (30) days after the date any notice to the Project Owner is mailed, or within such further time as MFA determines is necessary to correct the violation, but not to exceed any limitations set by applicable regulations, without further notice MFA may declare a default under this Agreement effective on the date of such declaration of default, and MFA may (i) apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement; (ii) secure the appointment of a receiver to operate the Project in compliance with this Agreement; or (iii) exercise any other remedies at law or in equity or any such other action as shall be necessary or desirable to correct non-compliance with this Agreement. MFA shall be entitled to recover all costs, including reasonable attorney fees, incurred in the enforcement of this Agreement.

(d) The Project Owner and MFA each acknowledges that the primary purpose of requiring compliance by the Project Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Project Owner with Section 42 of the Code and the Treasury Regulations thereunder,

AND BY REASON THEREOF, THE PROJECT OWNER IN CONSIDERATION OF RECEIVING AN ALLOCATION OF LOW-INCOME HOUSING TAX CREDITS FOR THE PROJECT HEREBY AGREES AND CONSENTS THAT MFA, ANY QUALIFYING TENANT AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE TO THE BUILDING UNDER THE CODE (WHETHER PRESENT, PROSPECTIVE OR FORMER OCCUPANTS OF THE BUILDING) (ANY OR ALL OF THEM) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE PROJECT OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN ANY COURT, STATE OR FEDERAL, OF COMPETENT JURISDICTION, the Project Owner hereby further specifically acknowledges that the beneficiaries of the Project Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(e) In the event of the Project Owner's or Project's failure to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the United States Department of the Treasury or the Internal Revenue Service or MFA from time to time pertaining to the obligations of the Project Owner as set forth therein or herein, MFA, in addition to all of the remedies provided by law or in equity, shall notify the Internal Revenue Service of such noncompliance.

12. Issuance of Form 8609. MFA shall prepare and file with the Internal Revenue Service ("IRS") IRS Form 8609 with respect to each building in the Project, evidencing MFA's allocation of Tax Credits with respect to the Project. MFA shall issue Form 8609(s) to the Project Owner when the following conditions have been met:

(a) Each building in the Project for which a Form 8609 is issued is a Qualified Low-Income Building.

(b) The Project Owner and the Project are in compliance with the terms of this Agreement, including particularly, but without limitation, Sections 4 and 5 hereof.

(c) The Project Owner shall have provided, on form(s) approved by MFA, a certification of each building's "eligible basis" as defined in Section 42(d) of the Code and MFA shall have made its final determination of the Tax Credit amount and its final determination pursuant to Section 42(m)(2) of the Code.

(d) The Project Owner shall have provided a copy of the executed partnership or operating agreement.

(e) The Project Owner shall have provided evidence satisfactory to MFA of the consent of any prior recorded lienholder to the recording of this agreement and to the subordination of the liens of such lienholder to this Agreement.

- (f) The Project Owner shall have paid the first year's compliance monitoring fee.
13. Return of Unused Credit. Pursuant to Section 42(h)(3)(C) of the Code and Treasury Regulation §1.42-14(d) thereunder, the Tax Credits dollar amount allocated to the Project Owner with respect to the Project shall be canceled and returned to MFA, in whole or in part, if (i) any building in the Project is not a Qualified Low-Income Building within the time period required by Section 42 of the Code, or (ii) the "Qualified Basis" of any building in the Project is less than the qualified basis on which the Tax Credit amount was allocated by MFA.
14. Release and Indemnification. The Project Owner acknowledges that, in issuing Internal Revenue Service Form 8609 with respect to the Project, MFA is relying or will rely upon information and representations given by or on behalf of the Project Owner and has made or will make no independent investigation and does not and will not have independent knowledge of the basis for such information and representations. Accordingly, to induce MFA to issue the Form 8609, the Project Owner agrees as follows:
- (a) The Project Owner agrees to release and forever discharge MFA, its members, employees, agents, officers, successors and assigns of and from any and all claims, demands, causes of actions, judgments and executions which the Project Owner has or may hereafter have against MFA, whether in law or in equity, arising or resulting from, or on account of or pertaining to, whether directly or indirectly, the issuance of a Form 8609 with respect to the Project by MFA.
- (b) The Project Owner hereby agrees to indemnify, save harmless and defend MFA, and its members officers, agents, employees, successors and assigns from any obligation, claim, loss, demand, cost, expense (including the costs of the investigation and settlement of any claim, and including reasonable attorney's fees) or judgment against MFA arising or resulting from, or on account of or pertaining to, whether directly or indirectly, MFA's issuance of a Form 8609 with respect to the Project. If any such claim is asserted, any indemnified party hereunder will give prompt notice to the Project Owner and will cooperate in the investigation and defense of any such claim. The Project Owner will assume the defense of any such asserted claim by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld), it being understood that the indemnified party shall have the right to employ its own separate counsel and participate in such proceedings at its own cost and expense.
- (c) If the indemnification provided in subsection (b) is, for any reason, either unavailable to MFA or any of the other persons intended to be indemnified thereby or insufficient to hold it or any of them harmless, then the Project Owner hereby agrees to contribute to all amounts paid or payable by MFA and such other persons as a result of any such obligation, claim, loss, demand, cost, expense, or judgment. The amount to be contributed by the Project Owner shall be the amount that is appropriate to reflect both the relative benefits received by

the Project Owner, on the one hand, and by MFA and such other persons, on the other hand, and the relative degrees of fault of the Project Owner, on the one hand, and of MFA and such other persons, on the other hand.

15. Limitations for HUD/FHA Insured Loans. Notwithstanding anything in this document to the contrary, except the requirements in 26 U.S.C. 42(h)(6)(e)(ii), the provisions hereof are expressly subordinate to the HUD insured mortgage or Deed of Trust, to the HUD Regulatory Agreement, and subordinate to all applicable HUD mortgage insurance (and Section 8, if applicable) regulations and related administrative requirements. In the event of any conflict between the provisions of this document and the provision of any applicable HUD regulations, related HUD administrative requirements, or HUD/FHA loan documents, the HUD regulations, related administrative requirements or loan documents shall control.

In the event of foreclosure or transfer of title by deed in lieu of foreclosure, any and all land use covenants contained herein shall automatically terminate.

Failure to comply with the land-use covenants contained herein will not serve as a basis for default on the HUD insured mortgage.

Enforcement of the covenants herein will not result in any claim against the Project, any reserve or deposit required by HUD in connection with the mortgage transaction, or the rents or other income from the property other than:

- (a) Available surplus cash, if the mortgagor is profit-motivated;
- (b) Available distributions and residual receipts authorized for release by HUD, if the mortgagor is limited distribution; or
- (c) Available residual receipts authorized by HUD, if the mortgagor is non-profit.

Any subsequent amendment to this document is subject to prior HUD approval.

No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds (and/or Tax Credits), or prohibiting the Project Owner from taking any action that might jeopardize the tax-exemption (and/or Tax Credit), except in strict accord with the National Housing Act, applicable mortgage insurance regulations, the HUD/FHA loan documents, or if applicable, Section 8 of the U.S. Housing Act of 1937 and the regulations thereunder.

Notwithstanding anything in this instrument to the contrary, the provisions hereof are subordinate to all applicable HUD mortgage insurance regulations and related administrative requirements. In the event of any conflict between the provisions of this document and the provisions of any applicable HUD regulations, related HUD administrative requirements, or HUD/FHA loan documents, the HUD regulations, related administrative requirements or loan documents shall control.

16. Miscellaneous.

(a) The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

(b) All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To MFA: New Mexico Mortgage Finance Authority
344 4th Street SW
Albuquerque, New Mexico 87102
Attention: Housing Tax Credit Program

To the Owner: **[Owner_Name]**
[OwnerAddress]
[OwnerCSZ]
Attention: [OwnerContact]

MFA and the Project Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) This Agreement shall be governed by the laws of the State of New Mexico and, where applicable, the laws of the United States of America.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

[SEAL] **[Owner_Name]**

By: _____

Its: _____

STATE OF _____, CITY OF _____)
_____, COUNTY OF _____) ss.
_____)

This instrument acknowledged before me this _____ day of _____, 2008,
by _____ as
_____ of
_____.

EXHIBIT A

LEGAL DESCRIPTION

(See attached Warranty Deed)

SAMPLE

EXHIBIT B

Minimum Applicable Fraction by Building

Building Identification Number:

Minimum Applicable Fraction

SAMPLE

EXHIBIT C

Set Aside Commitment for Families with Children

Social Service Plan Component	Requirement	Detail
Set-aside requirement met, and design elements and social service plan meet all requirements		
Experienced service coordinator on site		
Providing health care service on-site or linked with a local health care provider		
Providing childcare services on site or linked to outside centers		
Transportation services		
Credit and financial counseling/education		
Job training, search assistance and/or placement		
Computer literacy training		
Other		

EXHIBIT C

Set Aside Commitment for Seniors

Social Service Plan Component	Requirement	Detail
Set-aside requirement		
Community building and all units incorporate Universal Design		
Providing health care service on-site or linked with a local health care provider		
Transportation services		
Experienced service coordinator on site		
Providing one prepared meal on a daily basis available to all tenants		
Homemaking services		
Other		

SAMPLE

EXHIBIT D

Set Aside Commitment for Special Needs Households

At least **[txtNoOfTargetUnits] ([nbrunits])** of the residential rental units in the Project shall be constructed, equipped, set-aside and made available for occupancy on a priority basis to Special Needs Households. Set-aside units shall not be rented to other households unless the unit has been marketed for 30 days and no qualified Special Needs Households have been referred by the Local Lead Agency. The Local Lead Agency shall be responsible for providing services, and the Owner shall accept the "Special Needs Housing Set-Aside Agreement" offered by the Local Lead Agency, for the duration of this Land Use Restriction Agreement.

SAMPLE

EXHIBIT E

Financial Literacy Program

Financial Literacy Program Component	Requirement	Detail
Provider		
Financial Literacy Program		<p>The commitment to provide quarterly financial literacy training must be evidenced by a certification from the Project Owner. The contract must indicate or specify: 1) a description of the service to be provided including frequency, 2) that services will be provided on-site, and 3) any estimated fee for services provided. Project Owners must provide executed contracts with qualified service providers when the Project is Placed in Service. Contracts with service providers must include: 1) a description of the service to be provided including frequency, 2) indicate that services will be provided on-site, and 3) specify any fee for services provided.</p>

SAMPLE

SAMPLE EQUITY CERTIFICATION LETTER
[PRINTED ON COMPANY LETTERHEAD]

New Mexico Mortgage Finance Authority
Ms. Susan Biernacki
344 Fourth Street SW
Albuquerque, NM 87102

[DATE]

Re: **Project Name** – Certification of Equity

Dear Ms. Biernacki:

Pursuant to New Mexico MFA requirements, as the investor in the above referenced project, **Investor Name**, herein submits the following Certification of Equity:

1. Total Gross Funds Raised - **\$X,XXX,XXX**, subject to adjustments provided in agreement
2. Costs Associated with the Syndication - **\$X,XXX.**
3. Total Equity payment to the Partnership - **\$ X,XXX,XXX**, subject to adjustments provided in agreement
4. Pay in Schedule:
 1. Initial Contribution - **\$XXX,XXX**
 2. Construction Loan Closing Contribution - **\$ XXX,XXX**
 3. Subsequent Construction Contribution - **\$ XXX,XXX**
 4. Substantial Completion Contribution - **\$ XXX,XXX**
 5. Perm Loan Contribution - **\$ XXX,XXX**
5. Tax Credits expected - **\$ XXX,XXX**
6. Price Paid per Dollar of Credit - **\$ XXX,XXX**

Please call me if you require any additional information.

Regards,

Authorized Signator
Title
Investor Name