

## PROGRAM GUIDELINES - INTRODUCTION

---

The Pennsylvania Housing Finance Agency ("Agency") provides funding resources to increase and preserve affordable multifamily housing rental properties throughout the Commonwealth of Pennsylvania. The Agency is the administrator of the Federal Low Income Housing Tax Credit Program ("Tax Credits"). It also provides loans for construction financing, taxable and tax exempt bond financed primary mortgages, equity bridge loan financing, and soft second financing. Soft second financing is through the PennHOMES Program, which includes resources from the Federal HOME Investment Partnerships Program ("HOME") through the Pennsylvania Department of Community and Economic Development ("DCED") and the Agency's unrestricted reserves.

The following Program Guidelines explain the Agency's processing procedures, development requirements, and the various funding programs that may be accessed by completing the Agency's Application and other submission requirements as explained in the Instructions.

## APPLICATION PROCESS

---

For a development to be considered for a reservation of Tax Credits or a PennHOMES loan, the entire Application package, including all Exhibits, must be received by the Agency no later than **3:00 p.m. on October 3, 2008**. If applicants are duplicating the Application for use on their computer systems, information must be duplicated exactly as it appears on the original Application. The Application or Exhibits may not be submitted to the Agency by fax or e-mail.

For a development to be considered for a reservation of Tax Credits or a PennHOMES loan, the entire Application package, including all exhibits, must be received by the Agency no later than **3:00 p.m. on October 3, 2008**. The Agency will strive to announce the reservations of Tax Credits and feasibility approval for PennHOMES loans on or before May 14, 2009.

Additionally, it is suggested that prior to submission of an application for PHFA program funds, applicants should check the Agency website, [www.phfa.org](http://www.phfa.org) for program updates and amendments.

Additional Applications for funding:

<u>APPLICATION TYPE</u>	<u>CYCLE ALLOCATION</u>
Volume Cap for Tax Exempt Bond Financing	Based upon Availability
Taxable Bonds, 501(c)(3) Tax Exempt Bonds and Construction Loans	Open
Equity Bridge Loans	Open

All PHFA loan applicants direct completed Applications and/or inquiries to:

Development Division  
717.780.3876  
TTY 717.780.1869

Tax Credit only applicants direct completed Applications and/or inquiries to:

Tax Credit Program  
717.780.3948  
TTY 717.780.1869

Pennsylvania Housing Finance Agency

U. S. Postal Deliveries:  
PO Box 8029  
Harrisburg, PA 17105-8029

Hand Deliveries:  
211 North Front Street  
Harrisburg, PA 17101

Applicants requesting **PennHOMES, Tax Credits, Bridge Loan Financing or Volume Cap for Tax Exempt Financing** must submit **one hard copy and one electronic copy** of the completed Application with the required Exhibits, along with an Application Fee, to the Agency. All hard copies of the Application must be submitted in three-ring binders.

**Applications, hard copies and electronic copies must be identical and must be tabbed numerically using the Application Checklist.** All electronic copies should be submitted on CD or DVD. The format for all electronic files should be any version of Microsoft Word, Microsoft Excel or PDF format. Pictures must be in a jpg or gif format and optimized to a size of less than 50 kb. Most digital cameras automatically save images at 640 x 480 pixels or greater resulting in a very large file size and image. Please reduce (CROP/OPTIMIZE) the image by at least 50% (320 x 240 pixels or less). We may accept up to 100 kb if the image has a great amount of detail. **Note:** To avoid loss of detail, set the resolution to the highest setting when you crop the picture. Publisher or any digital camera image viewing software will NOT be accepted. **DO NOT PASSWORD PROTECT ANY OF THE FILES CONTAINED IN THE ELECTRONIC COPY OF YOUR APPLICATION. Failure to submit the application in the above format may result in your Application being returned.**

Any material omission from the Application Checklist, particularly the omission of site control, Market Study/Housing Needs Assessment, or verification of funding sources may result in an immediate rejection of the Application. Any omissions, inaccuracies, and inconsistencies in the Application package will not qualify the Application for bonus points for the Completeness of Application set forth in the selection criteria. When accepted as a complete Application, Agency staff may conduct a site inspection and if the development appears feasible and meets all Agency criteria, the Application will be evaluated based upon the Selection Criteria.

**For all applicants requesting Tax Credits,** the applicant must review and follow all requirements in the Allocation Plan for year 2009 Low Income Housing Tax Credit

Program (“Allocation Plan”). A description of the Review Process is detailed in the Tax Credit Program Guidelines and the Allocation Plan.

**For applicants requesting PennHOMES**, the development staff may submit a report to the Agency's Board. The Board will review the proposal and may authorize approval to proceed with a Feasibility Study with the Agency.

Developments selected by the Board to proceed with a Feasibility Study will be considered by the Agency in greater detail. Agency staff will review the applicant's commitment and closing documents as outlined in the Commitment Requirements (which are available from the Agency upon request or at [www.phfa.org](http://www.phfa.org)), as well as other applicable federal and state requirements. Upon satisfaction of these requirements, Agency staff may recommend the development to the Board for a mortgage loan commitment, subject to the Agency's ability to provide financing for the development.

**Applications seeking Volume Cap for Tax Exempt Financing** are invited through a public request for proposal (“RFP”) process. Specific instructions are set forth in the RFP. Applicants must submit **two** copies of the Application (one hard copy and one electronic copy) and all of the required Exhibits. For additional information, please see the Agency web site at [www.phfa.org](http://www.phfa.org) or contact the development division. Qualifying proposals will be presented to the Board during the regularly scheduled meetings.

**Taxable and 501(c)(3) Tax Exempt Bond, RD Section 538 and Construction Loan applicants** not requesting PennHOMES funding must complete and submit the Application along with the submission requirements explained in the Instructions to the Agency for review and approval. Applicants must submit **two** copies of the Application (one hard copy and one electronic copy) and all required Exhibits. Qualifying proposals will be presented to the Board during the regularly scheduled meetings.

**For all applicants**, the Agency encourages applicants to keep to a minimum any changes to the original development proposal that was submitted. All revisions including, but not limited to, changes in location, development design, per unit construction cost, financial projections, as well as any changes in information used in ranking for Feasibility Study approval and/or Tax Credit reservation are subject to the Agency's approval and the Agency may charge additional processing fees or require resubmission to the Board. If the change is material and unacceptable, as determined by the Agency, the Agency may, in its sole discretion, withdraw the development from loan commitment processing and/or the Tax Credit reservation.

Failure to provide information requested by the Agency, failure to meet deadlines or time frames imposed by the Agency, or any misrepresentation or nondisclosure of any information or data submitted to the Agency by the applicant may result in the immediate rejection of the Application for financing and forfeiture of fees.

The Agency will notify the applicant if, for any reason, the Application for financing is rejected by the Agency. If the Application is rejected, the applicant shall pay and/or reimburse the Agency for any and all fees and costs incurred by the Agency in the Application process, including, but not limited to, the Application fee, market study, appraisal costs, etc.