



Tennessee Housing Development Agency

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MEMORANDUM

TO: Recipients of a Section 1602/Tax Credit Assistance Program (TCAP) Conditional Commitment Letter

FROM: Ed Yandell
Director of Multifamily Development

SUBJECT: Asset Management Fees

DATE: December 11, 2009

THDA is statutorily required under the Section 1602 Program and the TCAP Program to perform asset management functions with regard to developments receiving Section 1602 or TCAP funds. The anticipated fee structure for these funds is as follows:

- ❖ For developments that involve the sale (syndication) of Low-Income Housing Tax Credits, there will not be an additional fee to THDA for asset management
- ❖ For developments that do not involve the sale (syndication) of Low-Income Housing Tax Credits, the additional fee to THDA is projected to be \$10,000 per development per year. **The projected fee is subject to change based on responses THDA receives to an Asset Management Request for Proposals. THDA anticipates issuing the Asset Management Request for Proposals in January of 2010.**

In accordance with Section IV-G of the HUD guidance regarding implementation of the TCAP program (revised July 27, 2009), costs associated with this required asset management are not eligible to be paid with TCAP funds.