



Tennessee Housing Development Agency

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MEMORANDUM

TO: Recipients of TCAP or Section 1602 Funding

FROM: Ed Yandell, Director of Multifamily Development

DATE: August 27, 2009

SUBJECT: Tax Credit Reservation Fees
Building Permits

In response to issues identified during the August 20, 2009 TCAP/Section 1602 Workshop held by THDA, please review the following information:

- Recipients of a 2009 Low-Income Housing Tax Credit Reservation Notice (“2009 Reservation Notice”) will be required to submit, among other things, an equity commitment letter in the form of **Attachment A-1** (available online at <http://www.thda.org/Programs/lihtc/tcapexa1.pdf>). If a recipient of a 2009 Reservation Notice fails to submit the equity commitment letter in the form of **Attachment A-1**, the 2009 Reservation Notice will be invalid and void. Recipients of a 2009 Reservation Notice are encouraged to decline to accept the 2009 Reservation Notice if an equity commitment letter in the form of **Attachment A-1** cannot be obtained. A decision to decline a 2009 Reservation Notice will not be viewed negatively by THDA. A decision to accept a 2009 Reservation Notice followed by an inability to perform will be viewed negatively by THDA. **Consequently, there will be no refund of Reservation Fees in the event that the equity commitment letter requirement associated with the 2009 Reservation Notice is not met.**
- Effective as of the date of this memorandum, THDA will accept the following to satisfy the requirements of Part VII.D.2 of the THDA Tax Credit Assistance Program 2009 Program Description (the “2009 TCAP Program Description”), Part VII.D.2 of the THDA Section 1602 Program 2009 Program Description (the “2009 Section 1602 Program Description”), and Paragraph 3 item (d) of the Tax Credit Assistance Program (TCAP)/Section 1602 Conditional Commitment Letter (the “Conditional Commitment Letter”):
 - A fully executed letter, from the issuer of building permits for the jurisdiction within which the development is or will be located, stating that building permits for each building in the development will be issued subject only to payment of the applicable building permit fee. The letter must be acceptable to THDA, in its sole discretion.