

# APPENDIX D

## HOME Funds and Federal Loans Used With Low Income Housing Tax Credits

HOME FUNDS FINANCING STRUCTURE	RESULTING IMPACT OF HOME FUNDS OR FEDERAL LOAN ON TAX CREDIT ALTERNATIVES					
	HOME Funds In Basis?	9% Credit Allowed?	4% Credit Allowed?	130% QCT Increase Allowed?*	Minimum 40/50 Set-Aside	Minimum 20/50 Set-Aside?
Grant - New Construction	No	Yes	N/A	Yes	N/A	Yes
Grant - With Tax-Exempt Bond Financing	No	N/A	Yes	Yes	N/A	Yes
Grant - Acq/Rehab	No	Yes on Rehab	Yes on Acq	YES	N/A	Yes
<b>     </b>						
<b>FEDERAL LOAN STRUCTURE</b>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loan Rate < AFR** New Construction	Yes	Yes	N/A	Yes	N/A	Yes
Loan Rate < AFR** Tax-Exempt Bond Financing	Yes	N/A	YES	Yes	N/A	YES
Loan Rate < AFR** Acq/Rehab	Yes	Yes on Rehab	Yes on Acq	YES	N/A	Yes
Loan @ AFR or above**	Yes	Yes	N/A	Yes	N/A	Yes

**All Below Market Federal loans, including HOME funds have been eliminated from the definition of “Federally Subsidized Properties”. As a result 9% credits are allowed on all federally subsidized properties, except for tax-exempt bond financed properties.**

\* QCT: “Qualified Census Tract” is a low income census tract as defined by HUD.

\*\* AFR: The “Applicable Federal Rate” is published monthly by the Treasury Dept. based on Federal borrowing costs for different maturities and different compounding periods.