



Date: July 20, 2010

To: 2010 Competitive LIHTC Applicants

From: Multifamily Housing Group

Re: Announcement Regarding the 2010 LIHTC Program

Many 2010 Competitive LIHTC applicants assumed a gap in their funding sources and indicated "Gap Funding TBD" in their application. The estimates of gap funding were done at the applicant's risk.

At this point in time, WHEDA cannot guaranty gap funding for any 2010 Competitive LIHTC Projects, and offers the following guidance regarding 2010 awards.

1. On June 24, 2010, the U.S. Senate failed to advance legislation that would have included an extension to the 1602 Tax Credit Exchange Program. Therefore, a "2010 LIHTC Exchange program" (presumably the source most applicants assumed would be in place) appears to be on hold. Applicants should use caution going forward assuming gaps can be filled using this source. WHEDA continues to monitor Congress's activities and will provide any updates should they become available.
2. WHEDA does not intend to allow applicants to restructure their 2010 applications, if the resulting restructure decreases their LIHTC score.
3. Applicants should not assume any "2009 Exchange proceeds" will be available to fund gaps.
4. 2010 LIHTC Awardees have been issued LIHTC Reservation Agreements. Failure of the applicant to timely execute the agreement and remit the required fees will necessitate WHEDA withdrawing the reservation and allocating the Credit to applicants "on hold".

Questions may be directed to either your WHEDA Senior Underwriter, or Bill Boerigter, Manager, MF Lending and Credit.