

**From:** [Abby Frantz](#)  
**To:** [TaxCreditQuestions](#)  
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Please consider the following scenario when determining underwriting criteria.

For 4% LIHTC deals, please waive the cap on Debt Service Coverage of 1.45 when establishing amount of annual tax credit if (a) non-profit owns or controls the property; and (b) to the extent cash flows exceed the 1.45 DSCR maximum, any amount of cash flow above the 1.45 maximum will be used by the non-profit for the benefit of residents. For example, the Broad River Village deal in Port Royal that is slated to close in December 2020 has as its general partner a wholly owned subsidiary of a nonprofit, Affordable Housing Partners, Inc. (“AHP”). AHP has created several programs in the past year to help low- to moderate-income residents such as the Family Assistance Program, which provides loans and grants to LIHTC tenants in need. We would like SC Housing to consider a waiver of the DSCR maximum in order to help AHP and other non-profits further their activities if they use the excess funds in programs such as the one described and other programs that further the missions of non-profits.

Please reinstate the maximum developer fee for 4% LIHTC deals to \$3 million. Bond deals are very expensive to put in place and a certain portion of developer fee is typically deferred on these deals. The cap on the portion of fee deferred is a way for SC Housing to ensure that the amount of developer fee does not grow too large. In addition, the fee is already capped at application and cannot grow when actual development costs increase.

Thank you for your consideration.

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