

# 2010 Tax Credit Program

## Bulletin # 3

May 5, 2010

Changes/Deletions/Clarifications to the 2010 Qualified Allocation Plan and/or  
2010 Low-Income Housing Tax Credit Manual:

### Clarification

**QAP- Page 5**

**Section 5, Item b) under Tax Credit Development Experience:**

The Authority previously issued clarifications for this section of the QAP in Bulletin #1, dated February 1, 2010, and Bulletin #2, dated February 11, 2010. Further clarification is provided regarding this section as follows:

The current language states that an ‘acceptable lender’ would be one that is “a FDIC insured financial institution.” However, this language has proven more restrictive in practice than originally intended. The intent is to ensure that developments were not self-funded and that a commercial lending institution found the borrower to be credit worthy and the development to be viable. Therefore, other non-FDIC insured commercial lending institutions, which provide loans in a commercially responsible manner, will be considered for permanent loan points. The Authority considers such commercial lending institutions to be private sector lending institutions whether or not FDIC insured, as well as, the government-sponsored enterprises (Fannie Mae and Freddie Mac).

### Clarification

**QAP- Pages 8-9**

**READINESS ISSUES:**

The current language states that the construction loan must be from a conventional construction lender. The Authority defines a “conventional construction lender” as a commercial lending institution which provides loans in a commercially responsible manner. The Authority considers such commercial lending institutions to be private sector lending institutions whether or not FDIC insured, as well as, the government-sponsored enterprises (Fannie Mae and Freddie Mac).

In addition, the Authority interprets the Readiness Issues provision on pages 8-9 of the QAP to be commitments that are **NOT** conditional or contingent upon further due diligence and/or review of the proposed development. **Points will not be awarded if commitments contain these types of conditional or contingency statements.**