

MEMORANDUM

May 14, 2009

TO: All interested parties of the Low Income Housing Tax Credit Program

FROM: Norman L. Harrod
Allocations Manager

SUBJECT: Clarification for 2009 LIHTC Applicants

Certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) allowed state allocating agencies to monetize up to 40% of their 2009 credit ceiling. As has previously been indicated, MSHDA intends to take full advantage of this provision. Therefore, the amount of credit that is available to applicants applying for 2009 LIHTC – including both, applications that were received on or before the May 1, 2009 Funding Round deadline and applications for the Rolling Allocations received after the May 1, 2009 deadline – is approximately \$13.8 million (approx. \$23 million credit ceiling less approx. \$9.2 million monetized).

Because MSHDA is already planning to monetize the maximum allowable amount of its 2009 credit ceiling, applicants whose projects receive an award of 2009 LIHTC will **not** be able to later monetize their award. Applicants who receive an award of 2009 credit will need to find an investor to purchase the credits they are awarded in order for the project to be able to move forward. Applicants are encouraged to review MSHDA's Preliminary Implementation Plan, issued March 25, 2009, for further discussion on the potential uses of the monetized portion of the 2009 credit ceiling.

Any questions regarding how the monetized 2009 will be used, please contact LIHTC Allocation Staff at 517-373-6007.