

## Spring 2020 National Housing Trust Fund Program

Application Packet FAQs and Guidance

Updated: June 4, 2020



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### Application Requirements

Will Housing Trust Fund recipients be required to use WHEDA as the primary lender?

- Yes.

Will 4% non-competitive applications be eligible to apply for the Housing Trust Fund?

- Yes, as long as WHEDA will be used as the primary lender/bond issuer.

What definitions will be used for “Supportive Housing” and “Homeless Housing”

- The HTF program uses the same definition as with the Housing Tax Credit program.

Can I change the unit mix targeting from what was approved in my tax credit application?

- Changes are permitted if they do not negatively impact the score of the tax credit application. Please seek approval from the underwriter assigned to the tax credit application prior to submitting the HTF application.

### Application Submission

Do I need to mail a physical copy of the application?

- Yes. Please mail a physical copy to WHEDA’s office postmarked no later than June 12, 2020.

How should electronic applications be submitted?

- Please include in the binder a flash drive or disc with the application materials.

Should I submit the \$500 loan application fee with my HTF Application?

- No. Please wait until after the HTF Award announcement is made and submit an application fee at that point if you intend to continue to pursue a WHEDA first mortgage.

### Loan Structuring

How will HTF Awards be structured?

- WHEDA expects to structure HTF awards as low-interest (target rate of 3%), subordinate debt with interest-only payments to be made from available cash flow from operations with 19 year term (2 years for construction financing) and 35 year amortization. The final terms will be subject to approval by WHEDA's Loan Committee.

Is there a max HTF Award per Project?

- No, however please refer to the chart of max HTF award per HTF unit included in the Request for Applications

### **Threshold Requirements**

What will be required for evidence of firm commitment of tax credit equity?

- An LOI from a tax credit equity provider will not be required. Tax credit pricing submitted in the tax credit application will be utilized.

What will be required for evidence of firm commitment of debt being provided by WHEDA?

- Applications for projects that have received 9% HTC should use WHEDA's current Permanent Financing for 9% Housing Tax Credit projects with 35-year term & amortization on the date the application is submitted. However, an applicant may use other terms (lower interest rate, longer amortization, etc.) if a term-specific, executed financing commitment accompanies the application.
- State Housing Tax Credit applications should use the Tax-Exempt Financing rate on the date the application is submitted
- For those applicants utilizing a commitment with other terms other than those provided by WHEDA (lower interest rate, longer amortization, etc.), WHEDA will require that those financing commitments meet the following requirements:
  - Fully executed – including signatures from both the lender and the borrower
  - Minimum term of 10 years
  - The interest rate must be locked through October 1, 2020 – this is the approximate deadline date for the submission of Carryover materials for properties that receive 2020 Housing Tax Credit awards
    - Indicative interest rates, or rates tied to a floating index will not be accepted
  - Commitments may contain conditions or contingencies, but only those that are within control of the borrower, or those that are based upon the performance of the borrower
    - Example – receipt of Housing Tax Credits
  - Commitments that are subject to final underwriting, loan committee approvals or other similar requirements will not be accepted
  - Developer secured self-financing commitments will not be accepted.