MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY (SCSHFDA)  
AND  
THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT- REGIONAL ADMINISTRATOR’S OFFICE (HUD-REGIONAL)  
AND  
UNITED STATES OF AMERICA, ACTING THROUGH THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE (RHS)  

I. Purpose:  
The purpose of this Memorandum of Understanding (MOU) is to document the understanding and agreement between the South Carolina State Housing Finance and Development Authority (SCSHFDA), the United States Department of Housing and Urban Development, Atlanta Regional Office as delegated to the South Carolina Field Office (HUD-SC), and the United States Department of Agriculture Rural Development South Carolina Office (RHS), collectively “the parties”, regarding their respective roles and responsibilities in the accomplishment of Subsidy Layering Reviews (SLRs) related to affordable housing projects developed and financed within the State of South Carolina. This MOU will describe the functional work, conditions, circumstances, and procedures under which all parties will conduct SLRs when involved in the development process of projects located in South Carolina utilizing low income housing tax credits.  

II. Period of MOU:  
The term of this MOU begins on the date the MOU is last executed by any of the parties to the MOU below, and is intended to continue in full force and effect for three years, commencing on the date of execution unless cancelled, modified or extended earlier in accordance with Section VI.  

III. MOU Overview:  
Section 102 of the Department of Housing and Urban Development Reform Act of 1989 requires all projects receiving HUD Housing Assistance combined with any form of other governmental assistance to undergo a SLR. This review will certify that there is no overlap of government subsidies when combining housing assistance programs administered by Federal Housing Administration (FHA) or with other forms of federal funds when administered by Federal, State, or Local agencies. This requirement was merged with the Section 911 of the Housing and Community Development Act of 1992. Section 911 reviews are required by Housing Finance Agencies where Low Income Housing Tax Credits (LIHTC) are involved in order to comply with the regulatory requirements of Section 42(m)(2) of the 1986 Internal Revenue Code.  
The issue of subsidy layering is addressed differently by the United States Department of Treasury (Treasury), United States Department of Housing and Urban Development
HUD, and United States Department of Agriculture (USDA). Subsidy layering is a HUD statutory requirement to assure that federal resources are neither duplicative nor wasteful when applied to affordable rental housing. These differences are reflected in the extent of subsidy layering analysis that the agencies require, ranging from USDA, which relies on the LIHTC review and does not require a formal subsidy layering analysis, to HUD’s HOME program, which has detailed guidance on how the analysis must be completed.

HUD presently conducts subsidy layering reviews for projects participating in certain HUD programs when related to the LIHTC program.

Additionally, pursuant to HUD Community Planning and Development Notice 98-01, the Participating Jurisdiction (PJ) may rely upon the State tax credit allocating agency’s evaluation (which is conducted to determine whether there are excess tax credits) to ensure that HUD subsidies are not greater than is necessary to provide affordable housing when combining HOME assistance with the tax credits. Further, the PJ may rely upon HUD’s evaluation (conducted in accordance with Section 102(d) of the HUD Reform Act) for projects funded by HUD’s Office of Housing (for example, FHA Mortgage Insurance) and Office of Public and Indian Housing and other HUD offices that are required to provide this kind of evaluation. It is intended that the subsidy layering review requirements under the HOME Investment Partnership Program will be satisfied by this agreement in cases where LIHTC financing or Project Based Voucher financing is sought. SCSHFDA is under no obligation to verify the Project Based Voucher rents supplied to it in connection with a LIHTC application.

IV. Responsibilities:

Under this agreement, RHS, through its State Director for Rural Development (hereinafter referred to as “State Director”) and SCSHFDA agree to engage in cooperative efforts to enable RHS to assure that only the necessary assistance is provided through the Section 515 program subject to Federal Subsidy Layering requirements and to enable SCSHFDA to effectively evaluate tax credit requests of RHS applicants, as provided in Section 42 of the IRS Code, and HOME funds. Attachment A to MOU is hereby incorporated by reference to provide the specific protocol between RHS and SCSHFDA to be followed for conducting the subsidy layering review and agreement for cooperation.

Under this agreement, HUD, through its Atlanta Regional Administrator (hereinafter referred to as “Regional Administrator”) and SCSHFDA agree to engage in cooperative efforts to enable HUD to assure that only the necessary assistance is provided through the following programs: HUD’s Section 8 Project-Based Rental Assistance Program authorized under 42 U.S.C.§1437f, HUD’s Multifamily Mortgage Insurance Program authorized under 12 U.S.C.§1701q, HUD’s HOME Investment Partnerships Program (HOME) authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. §12701 et seq.), or other federal sources subject to subsidy layering review requirements and to enable SCSHFDA to effectively evaluate tax credit requests of HUD applicants, as provided in Section 42 of the IRS Code, and other direct and indirect financial resources. Attachment B to MOU is hereby incorporated by reference to provide the specific protocol between HUD and SCSHFDA to be followed for conducting the subsidy layering review and agreement for cooperation.
HUD’s Office of Public and Indian Housing will continue to perform SLRs on behalf of HUD for newly constructed and rehabilitated projects that will receive Section 8 project-based voucher housing assistance in accordance with outstanding procedures and instructions.

V. Termination of MOU:

This MOU may be terminated for cause by executing and delivering 90 day written notice to the other two parties by any of the three parties hereto.

VI. Modification of MOU:

This MOU may be modified by mutual agreement signed by all parties.

VII. Agency Contact:

All notices under this MOU shall be in writing and served on the parties at the addresses specified below and delivered (i) by personal delivery, (ii) by overnight delivery service using a nationally recognized overnight delivery service (such as UPS or Federal Express), or (iii) by e-mail or facsimile transmission. Any notice shall be deemed effective for the purposes of this MOU at the date of delivery (if hand delivered), or one (1) business day after being deposited with a recognized overnight delivery service, or the day sent (if sent by e-mail or facsimile transmission). For purposes of this MOU the addresses of the parties are as follows (although any party may change its address by providing the other parties with written notice of such change in the manner specified in this Section):

South Carolina State Housing Finance and Development Authority
Attention: Executive Director
300-C Outlet Pointe Blvd
Columbia, SC 29210
www.schousing.com
803-896-9005
803-551-4876 fax

United States Department of Housing and Urban Development Columbia Program Center
Attention: Field Office Director
1835 Assembly Street, 13th Floor
Columbia, SC 29201
803-253-3878
803-253-3043 fax

3/1/2012
VIII. Indemnification.

Each party to this MOU must seek its own legal representation and bear its own costs including judgments in any litigation that may arise from performance of their respective obligations under this MOU. It is specifically understood and agreed that no party will indemnify any other party in such litigation.

IX. Miscellaneous Provisions

(a) This MOU is not intended to, and does not, restrict the authority of any party to act as provided by law, statute or regulation.

(b) This MOU addresses the activities of the parties, and as such does not address (and thus does not restrict) the activities and authorities of any other Federal or State agency or office.

(c) This MOU is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by any person against either the United States or the State of South Carolina, or their respective departments, agencies, entities, officers, employees, or agents, or any other person.

(d) This MOU may be executed in one or more counterparts, each of which will be considered an original document.

(e) Any information furnished to the parties under this MOU is subject to the Freedom of Information Act, 5 U.S.C. Section 552, the Privacy Act, 5 U.S.C. 552a, and the South Carolina Freedom of Information Act, Title 30 Chapter 4 of the S.C. Code of Laws, et seq., unless otherwise exempt from disclosure pursuant to those or other laws.

(f) The invalidity or unenforceability of any provision of this MOU shall not affect the validity or enforceability of the remaining provisions of this MOU.

X. Governing Law:

This MOU shall be governed by and construed in accordance with the laws of the State of South Carolina and the Federal laws of the United States of America. Federal law will prevail in case of conflict.
XI. Signatories

In witness whereof, the parties sign their names as evidence of their approval of this MOU. The person or persons executing this MOU have full power and complete authority to execute this MOU and all related documents in the capacity noted beneath their respective signatures.

VALARIE M. WILLIAMS
Executive Director
South Carolina State Housing Finance and Development Authority (SCSHFDA)

ED JENNINGS, JR.
Regional Administrator-Region IV
US Department of Housing and Urban Development

VERNITA F. DORE
State Director
US Department of Agriculture, Rural Housing Service (RHS)

Attachments:
Attachment A
Attachment B

3/1/2012
I. INTRODUCTION:

Reference is made to the Memorandum of Understanding (MOU) dated March 1, 2012 between SCSHFDA, HUD-SC and RHS. This document will provide the specific protocol to be followed for conducting the subsidy layering review between SCSHFDA and RHS.

II. SCOPE OF THE MOU:

Under this MOU, RHS, through its State Director for Rural Development (herein referred to as “State Director”) and the South Carolina State Housing Finance and Development Authority (hereinafter referred to as SCSHFDA), collectively “the parties,” agree to engage in cooperative efforts to enable RHS to assure that only the necessary assistance is provided through the Section 515 program or other federal sources subject to Federal Subsidy Layering requirements and to enable SCSHFDA to effectively evaluate tax credit requests of RHS applicants, as provided in Section 42 of the IRS Code.

III. PURPOSE:

The purpose of this document is to establish the general conditions under which the State Director and SCSHFDA agree to cooperate.

BOTH PARTIES AGREE:

a) To share information on project costs.

b) Fees associated with the project development will not exceed amounts allowed by RHS. To follow the fee norms established in the applicable Qualified Allocation Plan (QAP) as published annually by SCSHFDA, including but not limited to:

3/1/2012
(1) Builder’s profit  
(2) General overhead  
(3) General requirements  
(4) Developer’s fee  

c) The above fee norms will be used in SCSHFDA's analysis of the total amount of assistance that is necessary for a proposal. RHS will prepare an analysis in a spreadsheet format on all loan requests based on information provided by the applicant and applicable RHS program requirements:  
1) When accepted as a loan request;  
2) Just prior to approval; and  
3) When reviewing the approved cost certification and subsidy layering review prepared by SCSHFDA.  

d) For underwriting purposes, SCSHFDA will rely on the following:  
1) The current RHS approved operating budget to determine project’s operating expenses;  
2) The 2% initial operating and maintenance capital as the rent-up reserve;  
3) Accept RHS’s approved replacement reserve amount; and  
4) Will not require a separate operating reserve unless approved by RHS.  

e) To align our application review processes so that RHS can review and approve the appraisal, capital needs assessment, sales price, and projected operating budget prior to SCSHFDA’s full application deadline.  

f) In all cases where the results of an analysis indicate that there will be excess or shortfall of assistance, SCSHFDA and RHS will reach an agreement for reducing excess assistance or covering shortfalls. The following alternatives are examples of actions that can be taken:  
1) Reducing the amount of tax credit funding required;  
2) Reducing the level of assistance provided by one or more of the sources of funds; or  
3) Revising the uses to include eligible costs for any funding participants, provided the project enhancement is consistent with the intent of the RHS program and will assist the resident population being served by the housing.  

g) In the event that excess assistance is not reduced through other means, RHS will reduce the amount of its loan to ensure that RHS assistance provided is not more than is necessary to provide affordable housing after taking account of assistance from all Federal, State, and local sources. Approval of any reduction will require formal notification to the applicant and SCSHFDA and the USDA-RD National Office.  

h) SCSHFDA’s approval of the cost certification showing the audited development cost of the project after the development is complete and the final sources and
uses of funds for projects receiving both RHS funds and tax credits will serve as the final subsidy layering review. If an Identity of Interest exists between the borrower and the contractor, the audit will be performed in accordance with Government Auditing Standards (GAGAS) as required by RHS.

i) RHS and SCSHFDA understand that neither certifies the accuracy of the tax credit applicant’s eligibility, or certifies the applicant’s compliance with requirements of Section 42 of the Internal Revenue Code. SCSHFDA understands that the owner certifies the information to RHS and to SCSHFDA as being true and correct representations and that RHS carries out periodic reviews and analysis of the data to verify compliance with its requirements.

j) The general information shared under this agreement is for internal analysis and will not be disclosed to other than the appropriate SCSHFDA and RHS employees and that specific information on a proposal may be shared with the applicant and other providers of funds on the respective proposals as appropriate. SCSHFDA and RHS understand that this provision does not supersede any obligations under state or federal freedom of information requirements.

k) RHS and SCSHFDA will prepare joint environmental assessments and inspections whenever possible on jointly funded projects. The RHS Environmental Coordinator will work with SCSHFDA’s Environmental Coordinator to facilitate the development of an orderly process for accomplishing this objective.

l) To cooperate and share available resources and information, including material changes in the applicant’s proposal that may result in significant changes in the anticipated sources and uses, including size and scope of the project, amounts or sources of available funding resources, or other operational changes regarding the proposed development, terms of proposed property acquisition or value, or any other item identified in the attached appendix.

RHS AGREES:

a) To provide to SCSHFDA information on tax credit developments being considered for and receiving Section 515 funding decisions as follows:
   (1) A list of Section 515 loan applications and their status;
   (2) For each loan request on the list, the most recent Form RD 1924-13 or other cost estimation documents;
   (3) A copy of Form RD 3560-31 and any Identity-of-Interest (IOI) disclosure information that has been provided to RHS;
   (4) A copy of any notification of selection for further processing issued to applicants;
   (5) When the construction is completed, the final Form RD 1924-13 including any cost analysis prepared by RHS;
   (6) A copy of the approved Annual Operating Budget, Form RHS 3560-8;
   (7) A copy of any purchase contract or agreement provided by the applicant;

3/1/2012
(8) A copy of any appraisal made available to RHS for use in evaluating the proposal;
(9) A copy of any Capital Needs Assessment provided by the applicant; and
(10) The results of any analysis on necessary assistance to the applicant and SCSHFDA.

SCSHFDA AGREES:

a) SCSHFDA agrees to inform any applicants seeking both tax credit and RHS loan assistance that the MOU will be applied to the underwriting of their request for tax credits. A copy of the MOU will be provided to applicants for their guidance when combining the assistance provided by both agencies.

b) To provide to RHS the following data:

   a. The list of tax credit applications received from applicants that indicate they are seeking financing from RHS;
   b. For each RHS loan request, a copy of the tax credit application including the detailed construction and development cost breakdowns, anticipated rent schedules, and operating proforma data used to estimate the amount of tax credits for which the developer would be eligible;
   c. IRS Form 8609 and approved cost certification showing the cost data used to determine the development cost of the project after the development is complete and the final sources and uses of funds for projects receiving both RHS funds and tax credits is made;
   d. A list of all allocation requests to RHS for comment in an effort to coordinate the use of limited resources and to ensure that no existing projects are adversely affected.
   e. SCSHFDA approved market study.

c) To provide information both at the end of each application award cycle and at issuance of IRS Form 8609.

Attachments:
Appendix A: Applicant Document Checklist

3/1/2012
Appendix A: Applicant Document Checklist

1. Narrative description of the project. This should include the total number of units, including bedroom distribution. If only a portion of the units will receive project-based voucher assistance, then this information is needed both for the project as a whole and for any assisted portion.

2. Sources and Uses of Funds Statement Sources. List each source separately, indicating whether loan, grant, syndication proceeds, contributed equity, etc. Sources should include only permanent uses and should be detailed. Do not use broad categories such as "soft costs." Acquisition costs should distinguish the purchase price from related costs such as appraisal, survey, title and recording, and related legal fees. Construction and rehabilitation should include builder’s profit and overhead as separate items.

3. Narrative description of each funding source. For loans, include principal, interest rate, amortization, term, and any accrual, deferral, balloon or forgiveness provisions. If a lender, grantor, or syndicator is imposing reserve or escrow requirements, details should be included in the narrative. If a lender will receive a portion of the net cash flow, either as part of or in addition to debt service, this should be disclosed in the narrative.

4. Commitment Letters from lenders or other funding sources evidencing their commitment to provide funding to the project and disclosing significant terms. Loan agreements and grant agreements are sufficient to meet this requirement.

5. Appraisal Report. The appraisal should comply with USPAP requirements and establish the "as is" market value of the property, before construction or rehabilitation, and without consideration of any financial implications of tax credits or project based voucher or other subsidy or tenant assistance. An appraisal establishing value after the property is built or rehabilitated is acceptable provided it also includes an "as is" valuation.

6. Stabilized Operating Proforma. This should include projected rental, commercial, and miscellaneous income, vacancy loss, operating expenses, debt service, reserve contributions and cash flow. The analysis must be projected over a minimum 15 or 20-year period. Income and expenses must be trended at the stricter of the percentages prescribed by program regulations or the QAP.

7. Tax Credit Allocation Letter. Issued by the State tax credit allocation agency, this letter advises the developer of the amount of LIHTCs reserved for the project.

8. Historic Tax Credits. Projects in designated historical districts may receive additional one-time historic tax credits. When applicable, the amount of the historic tax credit should be disclosed.

9. Equity Contribution Schedule. If equity contributed to the project will be paid in installments, a schedule should be provided showing the amount and timing of planned contributions.

10. Bridge Loans. If the financing plan includes a bridge loan to provide immediate proceeds when equity contributions are planned over an extended period, appropriate details should be provided.


12. Identity of Interest Statement.

13. Commitment letter for any project-based voucher or other tenant assistance.

14. Proposed project-based voucher gross rent amounts and projected utility allowances.

15. A Capital Needs Assessment conducted and approved by SCHFDA or RHS or HUD-SC.

16. Sales or Purchase Agreement if applicable.

17. If applicable, all documents must comply with the HUD MAP Guide, Revised 8/18/11, and be submitted by the owner/developer/borrower through its FHA approved lender.

3/1/2012
I. INTRODUCTION:

Reference is made to the Memorandum of Understanding (MOU) dated March 1, 2012 between SCSHFDA, HUD-SC and RHS. This document will provide the specific protocol to be followed for conducting the subsidy layering review between HUD-SC and SCSHFDA.

II. SCOPE OF THE MOU:

Under this MOU, HUD-SC, through its Columbia Multifamily Housing Program Center Director (herein referred to as “PC Director”) and the South Carolina State Housing Finance and Development Authority (herein referred to as “SCSHFDA”), collectively “the parties”, agree to engage in cooperative efforts to enable HUD to assure that only the necessary assistance is provided through the following programs: HUD’s Section 8 Project-Based Rental Assistance Program authorized under 42 U.S.C. §1437f, HUD’s Multifamily Mortgage Insurance Program authorized under 12 U.S.C. §1701q, HUD’s HOME Investment Partnerships Program (HOME) authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. §12701 et seq.), or other federal sources subject to subsidy layering review requirements, and to enable SCSHFDA to effectively evaluate tax credit requests of HUD applicants, as provided in Section 42 of the IRS Code.

III. PURPOSE:

The purpose of this document is to establish the general conditions under which the PC Director and SCSHFDA agree to cooperate.

BOTH PARTIES AGREE:

a) Subsidy layering analyses will be performed by HUD whenever applicant disclosure is required by Section 102(b) and (c) of the Reform Act and by
SCSHFDA prior to issuance of IRS Form 8609, indicating the amount of tax credits to be awarded.

b) To share information on development costs for all developments financed with a combination of tax credits and HUD housing assistance.

c) Fees associated with the project development will not exceed amounts allowed by HUD-SC. To follow the fee norms which HUD and SCSHFDA have established for subsidy layering analysis purposes, including but not limited to:
   (1) Builder’s Profit
   (2) General Overhead
   (3) General Requirements
   (4) Developer’s Fee

d) The above fee norms will be used in SCSHFDA’s analysis of the amount of assistance that is necessary for a development. As allowed by Section 911 of the Housing and Community Development Act of 1992, fees may exceed the HUD norms when justified by special circumstances. The percentage allowances for fees associated with the project development including, but not limited to, those listed in (c) above, will not exceed the limits provided for in SCSHFDA’s Qualified Allocation Plan (QAP) pertaining to the year in which the tax credits will be allocated.

e) HUD and SCSHFDA agree to the definitions and formulas for the determination of profits, costs and amounts of assistance in the QAP for SCSHFDA, which current year QAP is incorporated herein by reference and is available at www.schousing.com.

f) In all cases where the results of an analysis indicate that there will be excess of assistance, SCSHFDA and HUD will reach an agreement for reducing excess assistance. The following alternatives are examples of actions that can be taken:

   (1) Reducing the amount of tax credits to eliminate the excess as required by Section 42 of the IRS Code;
   (2) Reducing the level of assistance provided by one or more of any other non-HUD sources of funds.
   (3) Reducing the amount of HOME funds awarded by SCSHFDA.

g) In the event that excess assistance is not reduced through other means, HUD will reduce the amount of its assistance to ensure that HUD assistance provided is not more than is necessary to provide affordable housing after taking account of assistance from all Federal, State, and local sources.

h) SCSHFDA and HUD understand that neither certifies the accuracy of the tax credit applicant’s eligibility or certifies to the applicant’s compliance with Section 42 of the Internal Revenue Code. SCSHFDA understands that the owner certifies the information to HUD and to SCSHFDA as being true and correct representations.

3/1/2012
i) The general information shared under this agreement is for internal analysis and will not be disclosed to other than the appropriate SCSHFDA and HUD employees and that specific information on a proposal may be shared with the applicant and other providers of funds on the respective proposals as appropriate. SCSHFDA and HUD understand that this provision does not supersede any obligations under state or federal freedom of information requirements.

j) By execution of the MOU, HUD has authorized SCSHFDA to assume SLR responsibilities as provided for by Section 911(c) of the Housing and Community Development Act of 1992. If HUD determines that SCSHFDA has failed to comply with the guidelines for subsidy layering review in a timely manner, HUD may withdraw the authority to perform the subsidy layering analysis.

k) If SCSHFDA determines that HUD has failed to comply with the guidelines for subsidy layering review in a timely manner, so as to delay the issuance by SCSHFDA of IRS Form 8609, SCSHFDA may terminate its agreement to perform subsidy layering analysis per Section 911 (c) of the Housing and Community Development Act of 1992.

HUD-SC AGREES:

a) To provide to SCSHFDA information on tax credit developments considered for HUD assistance as follows:

    (1) Copy of any notification of insurance commitment or subsidy contract issued to applicants;
    (2) Copy of any Cost Certification and/or cost analysis provided to, or prepared by HUD;
    (3) The results of any analyses on necessary assistance prepared by HUD to the applicant and SCSHFDA;
    (4) Agree to give priority processing to all LIHTC applications submitted for FHA mortgage insurance;
    (5) Copy of any appraisal made available to HUD for use in evaluating the proposal;
    (6) Copy of any Property Capital Needs Assessment provided by the applicant.

SCSHFDA AGREES:

a) SCSHFDA agrees to inform any applicants seeking a combination of both tax credits and HUD housing assistance that the MOU will be applied to the underwriting of the tax credit application. A copy of the MOU may be provided to applicants for their information in SCSHFDA’s QAP.

3/1/2012
b) To provide to HUD in South Carolina the following data:

(1) The list of tax credit applications received from applicants that indicate they are seeking a combination of tax credits and HUD housing assistance;

(2) For each loan request, a copy of the tax credit application with the development cost breakdown used to estimate the amount of tax credits for which the developer would be eligible;

(3) To provide HUD the following information for developments receiving both tax credits and HUD housing assistance:
   i. A copy of the applicant’s final disclosure(s) of sources and uses of funds as provided to SCSHFDA;
   ii. Notification that the development is complete.

Attachments:
Appendix A: Applicant Document Checklist
Appendix B: Sample Subsidy Layering Analysis Form

3/1/2012
Appendix A: Applicant Document Checklist

1. Narrative description of the project. This should include the total number of units, including bedroom distribution. If only a portion of the units will receive project-based voucher assistance, then this information is needed both for the project as a whole and for any assisted portion.

2. Sources and Uses of Funds Statement Sources. List each source separately, indicating whether loan, grant, syndication proceeds, contributed equity, etc. Sources should include only permanent uses and should be detailed. Do not use broad categories such as “soft costs.” Acquisition costs should distinguish the purchase price from related costs such as appraisal, survey, title and recording, and related legal fees. Construction and rehabilitation should include builder’s profit and overhead as separate items.

3. Narrative description of each funding source. For loans, include principal, interest rate, amortization, term, and any accrual, deferral, balloon or forgiveness provisions. If a lender, grantor, or syndicator is imposing reserve or escrow requirements, details should be included in the narrative. If a lender will receive a portion of the net cash flow, either as part of or in addition to debt service, this should be disclosed in the narrative.

4. Commitment Letters from lenders or other funding sources evidencing their commitment to provide funding to the project and disclosing significant terms. Loan agreements and grant agreements are sufficient to meet this requirement.

5. Appraisal Report. The appraisal should comply with USPAP requirements and establish the “as is” market value of the property, before construction or rehabilitation, and without consideration of any financial implications of tax credits or project based voucher or other subsidy or tenant assistance. An appraisal establishing value after the property is built or rehabilitated is acceptable provided it also includes an “as is” valuation.

6. Stabilized Operating Proforma. This should include projected rental, commercial, and miscellaneous income, vacancy loss, operating expenses, debt service, reserve contributions and cash flow. The analysis must be projected over a minimum 15 or 20-year period. Income and expenses must be trended at the stricter of the percentages prescribed by program regulations or the QAP.

7. Tax Credit Allocation Letter. Issued by the State tax credit allocation agency, this letter advises the developer of the amount of LIHTCs reserved for the project.

8. Historic Tax Credits. Projects in designated historical districts may receive additional one-time historic tax credits. When applicable, the amount of the historic tax credit should be disclosed.

9. Equity Contribution Schedule. If equity contributed to the project will be paid in installments, a schedule should be provided showing the amount and timing of planned contributions.

10. Bridge Loans. If the financing plan includes a bridge loan to provide immediate proceeds when equity contributions are planned over an extended period, appropriate details should be provided.


12. Identity of Interest Statement.

13. Commitment letter for any project-based voucher or other tenant assistance.

14. Proposed project-based voucher gross rent amounts and projected utility allowances.

15. A Capital Needs Assessment conducted and approved by SCHFDA or RHS or HUD-SC.

16. Sales or Purchase Agreement if applicable.

17. If applicable, all documents must comply with the HUD MAP Guide, Revised 8/18/11, and be submitted by the owner/developer/borrower through its FHA approved lender.

3/1/2012
## Project Name

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## Sample Subsidy Layering Analysis Form

### Sources and Uses Statement

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In accordance with Section 102 of the Department of Housing and Urban Development Reform Act of 1989 and Section 911 of the Housing and Community Development Act of 1992, there is no more assistance than is necessary to provide affordable housing.