

Schedule D- Noncompetitive Process for Private Activity Tax-Exempt Bonds and 4% LIHTC without AWHTC

Tax-exempt bonds and 4% Low Income Housing Tax Credits (“LIHTC”) without Affordable and Workforce Housing Tax Credits (“AWHTC”) will be awarded through a rolling, non-competitive round while volume is available during application windows as defined in Part 7.2 of the QAP. IHCD may shut down the non-competitive round at any time via release of a RED Notice.

Requests for tax-exempt bonds and 4% credits with AWHTC will be awarded through a separate competitive application round. See the terms in Schedule D1.

A. Application Process

1. Applicants must submit one application to request all sources (tax-exempt bonds, 4% LIHTC, and any other supplemental funding). **IHCD will not accept requests for tax-exempt bonds without LIHTC.**
2. Applicants must follow the application instructions of the Qualified Allocation Plan (“QAP”), including the instructions in Schedule G “Application Package Submission Guidelines.”
3. Applicants must agree to use IHCD as bond issuer and must submit Form J along with the application.

B. Funding Limitations

- a. Applications will be limited to a maximum request of \$35,000,000 in tax-exempt bonds. Applicants will be limited to a maximum request of \$90,000,000 in bonds in a calendar year. If IHCD determines it is in the interest of the State to allocate additional bond volume to one entity, then IHCD, ~~with approval from the Indiana Finance Authority,~~ may waive such limitation.
- b. ~~The project must be financed~~The tax-exempt bond request must represent at least 50%, but no more than 55%, of the aggregate basis of the building and land of the development. ~~with tax-exempt bonds.~~ If federal legislation amends the 50% test, IHCD will issue a RED Notice revising this requirement as appropriate.
- c. Applicants may request additional IHCD gap sources in the form of a Development Fund and/or HOME loan, if eligible, per Schedules E and J of the QAP.

C. Threshold Requirements

Applicants are required to meet all existing threshold requirements of the QAP, with the addition of the following requirements:



- a. Minimum score to pass threshold is 50.
- b. Bond counsel on the transaction must be an Indiana firm.
- c. To be eligible for 4% RHTC, the tax-exempt bond request must represent at least 50%, but no more than 55%, or more of the aggregate basis of the building and land of the development. The Applicant must provide IHCD A with an opinion of counsel stating that the applicant is not required to obtain an allocation of tax credits from IHCD A and that the proposed Development meets the requirements of the Qualified Allocation Plan and the Code, including the 50% bond test.

D. Tax-Exempt Bond Requirements- Closing Requirements, Deadlines, and Fees

- a. Escrow closings will not be permitted under any circumstance.
- b. Applicants who are awarded bonds must file a Notice of Issuance by the date established in the Determination Letter. Applicants must close on bonds within six months of the date of the Determination Letter. Applicants who fail to meet this closing deadline may request a three-month extension. IHCD A will allow no more than two extensions, for a maximum extension of six months beyond the original deadline. Each extension request is subject to an \$1000 extension fee as outlined in Section 7.2(C) of the QAP (\$1000 for the first extension request and \$1500 for the second extension request). If the Applicant has not closed by the end of the second extension deadline, they must return the bond volume and credits and reapply.
- c. An issuance fee equal to 0.5% of the total bond issuance will be charged to cover IHCD A costs. Such fee is payable at the closing of the bonds. The Applicant is also responsible for paying for issuer’s counsel. ~~IHCD A reserves the right to charge a lower fee depending on the structure of the bonds.~~

E. Refunding of Bonds

An owner may request a refunding of bonds by submitting the following information to IHCD A:

- Request letter
- Three years of fiscal year-end financial statements for the project.
- Payment of a \$1,500 modification fee via the [online payment portal](#).

IHCD A will inspect the project prior to approval. Bond refunding must be approved by IHCD A’s Board of Directors.