



## **Multifamily Housing Notice 10-04**

**February 26, 2010**

**To:** Developers, Sponsors and Local Housing Contacts  
**From:** Patricia Rynn Sylvester, Director, Multifamily Housing  
**Re:** ***New Issue Bond Program – Multifamily: Update***

### **New Issue Bond Program (NIBP) – Multifamily: Update**

As announced in Multifamily Housing Notice 10-01 and at a public meeting on January 19, 2010, the Department is participating in the New Issue Bond Program (NIBP) to provide a low fixed interest rate tax-exempt bond financing for qualified projects that can close during Calendar Year 2010.

In the interests of gauging demand for NIBP, earlier this month the Department requested Expressions of Interest (EOI) from sponsors to provide basic details regarding potential projects for NIBP financing. Additionally, the Department required that projects seeking NIBP financing in the Spring 2010 bond issuance (which will be the first of three NIBP bond issuances in 2010) submit a complete application by Friday, February 19, 2010.

The interest for NIBP financing is substantial. The Department received nearly 40 Expressions of Interest for over \$275 million of NIBP financing. Additionally, the Department has received seven (7) applications requesting approximately \$58 million of NIBP financing. The total demand of over \$325 million is well in excess of the \$90 million allocation of NIBP bonds available to the Department for multifamily financing.

As outlined in Notice 10-01, **all remaining applications for NIBP financing must be received by no later than May 14, 2010.** Applications will be accepted on a first-come, first-serve basis, and will be subject to the Department's threshold and rating criteria as outlined in the Multifamily Rental Financing Program Guide (the Guide). In light of the December 16, 2010 closing deadline for NIBP financing, the Department's threshold evaluation will include a specific focus on the project's readiness to proceed. Incomplete applications or applications for projects deemed by the Department to be unable to proceed to closing by the December 16, 2010 deadline will be removed from processing for NIBP. Applicants who are unable to meet the requirements for NIBP may elect to proceed using DHCD's traditional Multifamily Bond Program (MBP) financing.

In light of the tremendous demand for NIBP financing, the Department is exploring ways in which to expand the pool of available financing. At such time that available NIBP financing is fully obligated to projects, the Department will notify all remaining projects in the financing pipeline and establish a waiting list for the NIBP.

Please note that the Department continues to have ample financing available through the Multifamily Bond Program (MBP) for projects, and will continue to process projects through MBP. These projects would need to be financially feasible under the Department's traditional methodology for establishing interest rates based on the actual rates at the time of bond closing.

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Please remember that we are announcing future round deadlines, significant application changes, bond program amendments, and other key dates and facts on our web site and by email only. Please make sure that we have your current email address. Please send any additions or corrections to [taxcredits@mdhousing.org](mailto:taxcredits@mdhousing.org) or [rentalhousing@mdhousing.org](mailto:rentalhousing@mdhousing.org) as soon as possible.

Thank you for your interest and participation in the multifamily housing programs in Maryland.

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