



Multifamily Housing Notice 10-09

October 18, 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

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. The Department was awarded a total of approximately \$90 million of NIBP capacity. Earlier this year, the Department initiated NIBP to provide financing for multifamily projects. A complete description of NIBP is provided at the following website: <http://mdhousing.org/Website/Programs/NIBP/Default.aspx>

To date, seven (7) projects have received NIBP financing through two (2) financings. In financing these projects, approximately \$36 million of NIBP capacity has been combined with approximately \$30 million of traditional multifamily tax-exempt bonds issued through the Multifamily Bond Program (MBP).

The United States Treasury, which administers NIBP on a national level, recently provided the Department with additional flexibility in implementing the program. First, the Department has been granted an additional 12 months (through December 2011) to close on NIBP financing for qualified multifamily rental projects. Second, the number of times that NIBP closings may occur has been increased from three (3) to six (6). And third, the Department's overall NIBP financing capacity has been increased.

In light of this added flexibility and financing capacity, the Department will be able to offer the NIBP to new applications for tax-exempt bond financing. New applications for NIBP financing will be accepted and processed on a first-come, first-serve basis contingent on readiness to proceed to closing in accordance with the requirements of NIBP. Applicants who are unable to meet the requirements for NIBP may elect to proceed using DHCD's traditional MBP financing.

Please note that the Department continues to have ample financing available through 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.

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 or 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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