



## Multifamily Housing Notice 19-06

April 1, 2019

**To:** Developers, Sponsors, and Local Housing Contacts

**From:** John R. Maneval, CDA Deputy Director

**Re:** **Update on Status of Taxable/Tax-Exempt Financing Technique  
Multifamily Bond Program –Summary of Available Financing Structures**

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### Update on Status of Taxable/Tax-Exempt Financing Technique

In November 2018, the Maryland Department of Housing and Community Development (“DHCD”) issued Multifamily Notice 18-14 requesting public comment regarding whether or not DHCD should continue to offer the “Taxable/Tax-Exempt Financing” technique. DHCD received and reviewed numerous comments as a result of this request, and appreciates the input it received.

After a careful review of this input, DHCD has decided to retain the Taxable/Tax-Exempt Financing technique on a limited basis; specifically, this technique will only be available for projects that do not rely on subordinate financing from DHCD through Rental Housing Works (RHW) and other subordinate financing programs of DHCD. Please note that all other approved Multifamily Bond executions (as discussed further below) are eligible for DHCD subordinate financing.

Additionally, DHCD will retain the option to fully reinstate the Taxable/Tax-Exempt Financing technique in the event that the interest rate environment were to change in such a way where taxable interest rates are significantly and consistently below tax-exempt interest rates.

This modification is effective as of the date of this Notice for new applications for financing. DHCD will continue to process applications that are currently in the DHCD pipeline that propose the Taxable/Tax-Exempt financing technique with subordinate DHCD financing.

### Multifamily Bond Program –Summary of Available Financing Structures

In an effort to more effectively communicate the wide range of financing structures (including HUD, Freddie Mac, Fannie Mae, and FHA Risk Sharing) available through the Multifamily Bond Program, DHCD has updated its website. The updated website outlines currently available financing structures, as well as indicative interest rates, fees and costs in a summary format.

Going forward, the website will be updated on a regular basis so that our partners have a clear sense of their options and changes in the financing environment.

The website for the Multifamily Bond Program can be found at the following link:

<https://dhcd.maryland.gov/HousingDevelopment/Pages/mbp/default.aspx>

If you have any questions, please email at [john.maneval@maryland.gov](mailto:john.maneval@maryland.gov) or call at 301.429.7714.

#### IMPORTANT NOTICE REGARDING EMAILING OF MULTIFAMILY NOTICES

Multifamily Housing issues periodic notices to announce new initiatives, provide important news, announce funding round deadlines, significant application changes, bond program amendments, and other key dates and facts on our website and by email only. If you have not already, please subscribe to receive Multifamily Housing Notices at the following link:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/About.aspx>

Notices are posted to the DHCD website at the following location:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>