

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

9% TAX CREDIT EXCHANGE PROGRAM APPLICATION

PROJECT NAME: _____

SPONSOR NAME: _____

SPONSOR CONTACT: _____

Do you wish to be considered for a MSHDA Taxable or Tax Exempt Mortgage: YES or NO
(Applicants for Tax Exempt Mortgage financing from the Authority will also be considered for 4% LIHTC.)

Are federal funds (other than ARRA funds) that invoke DBRA, NEPA, URA, or UFAS already planned as a part of this project? YES or NO

If yes, please indicate federal funding already planned: _____

Section 1. RETURN OF PRIOR YEAR TAX CREDIT ALLOCATION AND REQUEST FOR FUNDING

Complete this section to indicate your intent to return an allocation of 9% LIHTC from the 2007 or 2008 Credit Ceiling and to exchange the 9% allocation for cash in lieu of credits in accordance with Section 2, Acknowledgements..

- | | |
|---|--------------|
| 1. ANNUAL CREDIT TO RETURN: | \$ _____ |
| 2. TEN-YEAR VALUE OF CREDIT (Line 1 X 10) | \$ _____ |
| 3. EXCHANGE FACTOR ISSUED BY U.S. TREASURY | \$0.85 _____ |
| 4. MAXIMUM AMOUNT OF 9% TAX CREDIT EXCHANGE PROGRAM FUNDING AVAILABLE TO THE ABOVE-LISTED PROJECT (Line 2 X Line 3) | \$ _____ |
| 5. 9% TAX CREDIT EXCHANGE PROGRAM FUNDING REQUESTED | \$ _____ |

Applicants will also need to submit an executed copy of the Agreement Regarding Cancellation of Low Income Housing Tax Credit Allocation. This form will be processed and sent to program applicants upon receipt of this 9% Tax Credit Exchange Program application by the Authority. Applicants should return the original executed agreement to the Authority promptly, as funds will not be awarded to the project until this executed agreement is received by the Authority.

Section 2. ACKNOWLEDGEMENTS:

I understand and acknowledge that by submitting this application, I am returning and revoking my prior reservation of 2007 or 2008 Low Income Housing Tax Credit ceiling; I further understand that this decision is irrevocable and may not be conditioned upon the actual receipt of funding under the Authority's 9% Tax Credit Exchange Program.

I understand and acknowledge that while the presumed source of funding for the Authority's 9% Tax Credit Exchange Program are federal Section 1602 Program funds (commonly referred to as Monetized Credits), the decision about whether or not to fund this application is solely within the discretion of the Authority.

I further understand and acknowledge that the Authority reserves the right to fund this application with any source of funds, federal or otherwise, available to it. In the event the Authority determines it is desirable to fund this application with a source other than the federal Section 1602 Program, I agree to submit documentation as may be needed by the Authority to comply with the requirements and regulations associated with any other funding source the Authority intends to use, including but not limited to federal HOME, Neighborhood Stabilization Program (NSP), or Tax Credit Assistance Program (TCAP) funding.

I understand and acknowledge that in the event other sources of funding are used for this application, additional federal cross-cutting regulations may apply and that the inability of a project to comply with these requirements or the failure to follow instructions from the Authority related to other such funding may result in the denial of this application.

I understand and agree that it is my responsibility to provide such other information as MSHDA requests as necessary to evaluate my application. I will furnish promptly such other supporting information and documents as may be requested. I understand that MSHDA may verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the application. I recognize that I have an affirmative duty to inform MSHDA when any information submitted herein is no longer true and will supply MSHDA with the latest and accurate information.

I agree to hold MSHDA, its members, officers, agents, and employees harmless from any matters arising out of or related to the ARRA programs

I acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation or promulgation of regulations.

In carrying out the development and operation of the project, I agree to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all ARRA program requirements, rules, and regulations.

I acknowledge that the ARRA programs are not entitlement programs and that my application will be evaluated based on the all applicable statutes, regulations, lending parameters, and the Qualified Allocation Plan adopted by MSHDA which identify the priorities and other standards which will be employed to evaluate applications.

I agree that submission of this application does not invalidate or replace any existing applications for the same project. I acknowledge that the information submitted to MSHDA in this application or supplemental thereto may be subject to the Freedom of Information Act or other disclosure. I understand that MSHDA may make such information public.

I declare under penalty of perjury that the information contained in the application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of my knowledge and

belief. I understand that misrepresentation may result in cancellation of an ARRA award and other actions which MSHDA is authorized to take including, but not limited to the receipt of negative points in future funding rounds in which I may apply. In addition, I acknowledge and understand that, if any person, with intent to defraud or cheat, designedly by false pretense, including any false statement or representation, obtains money, real or personal property, or the use of an instrument, facility, article, or other valuable thing or service, such person shall be guilty of a crime. Such person may be guilty of either a misdemeanor or felony, punishable by imprisonment for not more than 10 years or a fine or both, all as set forth in Section 47 of Act No. 346 of the Public Acts of 1966, as amended (MCL 125.1447).

I certify that I believe that the project can be completed within the development budget and the development timetable set forth (which timetable is in conformance with MSHDA rules and regulations) and can be operated in the manner proposed within the operating budget set forth.

The undersigned applicant has attached a narrative describing the steps taken to secure an equity investment and describing issues inhibiting investor interest in the project. The narrative must also identify potential investors that have extended unacceptable offers, and why specific terms and conditions were detrimental to the project's feasibility. MSHDA reserves the right to corroborate presented facts, and may request additional information from the applicant and/or the potential investor or syndicator. MSHDA shall determine whether an applicant has met the federal good faith effort test. ANY MISREPRESENTATION BY APPLICANT SHALL DRAW MAXIMUM PENALTIES UNDER PROGRAM REGULATIONS. Note: applications submitted without this narrative will be returned to the applicant.

Dated this _____ day of _____, 2009

By: _____
(Original signature)

(Typed or printed name)

(Title)