

Reduced-Rate Fast-Track Loan Pilot Program

Multifamily developments seeking to utilize long-term Tax-Exempt Bond financing coupled with 4% Low-Income Housing Tax Credits (LIHTC) will be eligible to apply under the Reduced-Rate Fast-Track Loan Pilot Program (RRFT Program). Under the RRFT Pilot Program:

1. Developments must be feasible without utilizing MSHDA gap funding.
2. Projects will be eligible for an interest rate reduction on the Tax-Exempt Bond Loan (construction and permanent) equal to 25 basis points. The 25-basis point reduction will be applied to the MSHDA interest rate that the project is eligible to receive. For example, if the MSHDA Tax-Exempt Bond interest rate is 6.625%, applicants will be eligible for a 6.375% interest rate. Other standard MSHDA loan terms will apply (40-year amortization, etc.).
3. Applications can be submitted at any time during the term of the RRFT Pilot Program. Applications will be processed in the order they are received and will move through the process without being subject to the processing steps or timeline associated with the Gap Funding Notice of Funding (NOFA) since they will not be eligible for gap funding.
4. The RRFT Pilot Program has been extended until 12/31/2024 at which time MSHDA staff will re-evaluate the program and determine whether to continue with the program.

Applications submitted under the RRFT Pilot Program will be subject to all underwriting requirements and standards as outlined in the Multifamily Direct Lending Program Parameters as well as the current Qualified Allocation Plan (QAP) in place at the time of application.