



November 9, 2017

VHDA Multifamily Loan Program Updates

Private Activity Bonds Notice

As you may be aware, proposed legislation in the U.S. House of Representatives contemplates elimination of the use of private activity bonds and the 4% tax credit typically used in connection with such bonds in financing affordable housing. While this is not yet law, VHDA and others are taking very seriously the possibility that use of private activity bonds and 4% tax credits will not survive beyond December 31, 2017.

In an effort to best position both affordable housing development partners and VHDA, we are actively planning for the possibility of a large tax-exempt bond issue to be closed no later than December 31, 2017. The first step in this process is to fulfill federal TEFRA regulatory requirements. As bond issuer VHDA is required to publicly disclose certain information pertaining to the developments proposed to be financed with such tax-exempt bonds. Accordingly, VHDA must now collect that information to include in the TEFRA notice.

Please be aware that the TEFRA notice will appear in newspapers across the state as early as next week and will include all of the information collected on the TEFRA form.

Anyone planning a development that is anticipated to be funded with tax-exempt bonds (with or without 4% tax credits), and would like to be considered in this initiative, please provide such information to VHDA no later than 2pm Monday November 13, 2017. You may obtain the form for submitting this information by clicking: [TEFRA form](#). Please complete this form and return as an email attachment to dale.wittie@vhda.com.

We are aware that the timeline for completing this is very compressed, but circumstances are such that successful completion of this initiative require it.

Please understand that fulfilling the TEFRA requirement is only a first step, and is no guarantee of any development being ultimately included in any such bond deal. There are many questions that remain to be answered, and many decisions VHDA must make about the viability of any bond issuance at all, as well as the feasibility of any specific development being funded.

Please email me if you have any questions or need additional information.

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The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

