FLORIDA HOUSING FINANCE CORPORATION

RENTAL RECOVERY LOAN PROGRAM (RRLP)

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PART I ADMINISTRATION

67ER06-25 Purpose and Intent.

The purpose of this rule chapter is to establish the procedures by which the Corporation shall:

(1) Administer the Application process, determine loan amounts, make and service mortgage loans for the construction or Rehabilitation/Substantial Rehabilitation of affordable rental units utilizing Rental Recovery Loan Program funds, authorized by Section 31, Chapter 2006-69, L.O.F.

(2) Administer the Application process and determine Housing Credit amounts to be utilized in conjunction with the Rental Recovery Loan Program funds outlined in subsection (1) above.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-26 Definitions.

(1) “Act” means the Florida Housing Finance Corporation Act as found in Chapter 420, Part V, F.S.

(2) “Address” means the address assigned by the United States Postal Service and must include address number, street name, city, state and zip code. If address has not yet been

assigned, include, at a minimum, street name and closest designated intersection, city, state and zip code.

(3) “Affiliate” means any person that, (i) directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant, (ii) serves as an officer or director of the Applicant or of any Affiliate of the Applicant, or (iii) is the spouse, parent, child, sibling, or relative by marriage of a person described in (i) or (ii) above.

(4) “ALF” or “Assisted Living Facility” means a Florida licensed living facility that complies with Sections 400.401 through 400.454, F.S., and Chapter 58A-5, F.A.C.

(5) “Allocation Authority” means the total dollar volume of Housing Credits available for distribution by the Corporation and authorized pursuant to Section 42 of the IRC.

(6) “Applicable Fraction” means Applicable Fraction as defined in Section 42(c)(1)(B) of the IRC.

(7) “Applicant” means any person or legally formed entity that is seeking a loan or funding from the Corporation by submitting an Application for one or more of the Corporation’s programs.

(8) “Application” means the forms and exhibits created by the Corporation for the purpose of providing the means to apply for funding through the RRLP Program. A completed Application may include additional supporting documentation provided by an Applicant.

(9) “Application Deadline” means 5:00 p.m., Eastern Time, on the final day of the Application Period for the RRLP Program.

(10) “Application Period” means a period during which Applications shall be accepted as posted on the Corporation’s Website and with a deadline no less than thirty days from the beginning of the Application Period.

(11) “Board of Directors” or “Board” means the Board of Directors of the Corporation.

(12) “Building Identification Number” means, with respect to a Housing Credit Development, the number assigned by the Corporation to describe each building in a Housing Credit Development, pursuant to Internal Revenue Service Notice 88-91, which is incorporated by reference and available on the Corporation’s Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links.

(13) “Calendar Days” means the seven (7) days of the week.

(14) “Carryover” means the provision under Section 42 of the IRC and this rule chapter, which allows a Development to receive a Housing Credit Allocation in a given calendar year and be placed in service by the close of the second calendar year following the calendar year in which the allocation is made.

(15) “Competitive Housing Credits” or “Competitive HC” means those Housing Credits which come from the Corporation’s annual Allocation Authority.

(16) “Compliance Period” means a period of time that the Development shall conform to all set-aside requirements as described further in this rule chapter and agreed to by the Applicant in the Application.

(17) “Contact Person” means the person with whom the Corporation will correspond concerning the Application and the Development. This person cannot be a third-party consultant.

(18) “Corporation” means the Florida Housing Finance Corporation as defined in Section 420.503, F.S.

(19) “Credit Underwriter” means the independent contractor under contract with the Corporation having the responsibility for providing stated credit underwriting services.

(20) “Developer” means any individual, association, corporation, joint venturer, or partnership which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.

(21) “Development” means Project as defined in Section 420.503, F.S.

(22) “Development Cash Flow” means cash flow as calculated in the statement of cash flows prepared in accordance with generally accepted accounting principles (“GAAP”) and as adjusted for items including any distribution or payment to the Principal(s) or any Affiliate of the Principal(s) or to the Developer or any Affiliate of the Developer, whether paid directly or indirectly, which was not expressly disclosed in determining debt service coverage in the Board approved final credit underwriting report.

(23) “Development Cost” means the total of all costs incurred in the completion of a Development excluding developer fee, acquisition cost of existing developments, and total land cost as shown in the Development Cost line item on the development cost pro forma within the Application.

(24) “Development Expenses” means usual and customary operating and financial costs, such as the compliance monitoring fee, the financial monitoring fee, replacement reserves, the servicing fee and the debt service reserves. As it relates to Developments and to the application of Development Cash Flow described in this rule chapter, the term includes only those expenses disclosed in the operating pro forma included in the final credit underwriting report, as approved by the Board.

(25) “DDA” or “Difficult Development Area” means areas designated by the Secretary of Housing and Urban Development as having high construction, land, and utility costs relative to area median gross income in accordance with Section 42(d)(5), of the IRC.

(26) “Document” means electronic media, written or graphic matter, of any kind whatsoever, however produced or reproduced, including records, reports, memoranda, minutes, notes, graphs, maps, charts, contracts, opinions, studies, analysis, photographs, financial statements and correspondence as well as any other tangible thing on which information is recorded.

(27) “Draw” means the disbursement of funds to a Development.

(28) “Elderly” means Elderly as defined in Section 420.503, F.S.

(29) “ELI Household” or “Extremely Low Income Household” means a household of one or more persons wherein the adjusted income for the Family is equal to or below the percentage of area median income for Extremely Low Income Persons.

(30) “ELI Persons” or “Extremely Low Income Persons” means Extremely low income persons as defined in Section 420.0004(8), F.S., and for the RRLP Program, will be as outlined in the ELI Chart included in the RRLP Application instructions.

(31) “ELI Set-Aside” or “Extremely Low Income Set-Aside” means the number of units designated to serve ELI Households.

(32) “Eligible Persons” means one or more natural persons or a family, irrespective of race, creed, national origin, or sex, determined by the Corporation to be income eligible, as further described in this rule chapter.

(33) “EUA” or “Extended Use Agreement” means, with respect to the HC Program, an agreement between the Corporation and the Applicant which sets forth the set-aside requirements and other Development requirements under the HC Program.

(34) “Executive Director” means the Executive Director of the Corporation.

(35) “Family” describes a household composed of one or more persons.

(36) "Final Housing Credit Allocation" means, with respect to a Housing Credit Development, the issuance of Housing Credits to an Applicant upon completion of construction or Rehabilitation of a Development and submission to the Corporation by the Applicant of a completed and executed Final Cost Certification Application pursuant to this rule chapter.

(37) "Financial Beneficiary" means any Developer and its Principals or Principals of the Applicant entity who receives or will receive a financial benefit as outlined in paragraphs (a) and (b) below and as further described in this rule chapter:

(a) 3% or more of Total Development Cost if Total Development Cost is $5 million or less; or

(b) 3% of the first $5 million and 1% of any costs over $5 million if Total Development Cost is greater than $5 million.

(38) "Financial Institution" means Lending institution as defined in Section 420.503, F.S.

(39) "Florida Keys Area" means all lands in Monroe County, except:

(a) That portion of Monroe County included within the designated exterior boundaries of the Everglades National Park and areas north of said Park;

(b) All lands more than 250 feet seaward of the mean high water line owned by local, state, or federal governments; and

(c) Federal properties.

(40) "Funding Cycle" means the period of time commencing with the opening of the Application Period pursuant to this rule chapter and concluding with the issuance of loans and, if applicable, an allocation of Competitive HC, to Applicants who applied during the Application Period.

(41) “General Contractor” means a person or entity duly licensed in the state of Florida with the requisite skills, experience and credit worthiness to successfully provide the units required in the Application, and which meets the criteria described in this rule chapter.

(42) “HC Program” or “Housing Credit Program” means the rental housing program administered by the Corporation pursuant to Section 42 of the IRC and Section 420.5099, F.S., under which the Corporation is designated the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the IRC and this rule chapter.

(43) “HOME-Rental Program” means the HOME Investment Partnerships Program administered by the Corporation pursuant to 24 CFR Part 92, which is adopted and incorporated herein by reference and available on the Corporation’s Website under the 2006 Universal Application link labeled Related Information and Links and Section 420.5089, F.S.

(44) “Housing Credit” means the tax credit issued in exchange for the development of rental housing pursuant to Section 42 of the IRC and the provisions of this rule chapter.

(45) “Housing Credit Allocation” means the amount of Housing Credits determined by the Corporation as necessary to make a Development financially feasible and viable throughout the Development’s Compliance Period pursuant to Section 42(m)(2)(A) of the IRC.

(46) “Housing Credit Development” means the proposed or existing rental housing Development(s) for which Housing Credits have been applied or received.

(47) “Housing Credit Extended Use Period” means, with respect to any building that is included in a Housing Credit Development, the period that begins on the first day of the Compliance Period in which such building is part of the Development and ends on the later of: (i) the date specified by the Corporation in the Extended Use Agreement or (ii) the date that is

the fifteenth anniversary of the last day of the Compliance Period, unless earlier terminated as provided in Section 42(h)(6) of the IRC.

(48) “Housing Credit Period” means with respect to any building that is included in a Housing Credit Development, the period of 10 years beginning with:

(a) The taxable year in which such building is placed in service, or

(b) At the election of the Developer, the succeeding taxable year.

(49) “Housing Credit Set-Aside” means the number of units in a Housing Credit Development necessary to satisfy the percentage of units set-aside at 60% of the Area Median Income (AMI) or less as chosen by the Applicant in the Application.

(50) “Housing Credit Syndicator” means a person, partnership, corporation, trust or other entity that regularly engages in the purchase of interests in entities that produce Qualified Low Income Housing Projects [as defined in Section 42(g) of the Internal Revenue Code] and provides at least one written reference in the Application that such person, partnership, corporation, trust or other entity has performed its obligation under the partnership agreements and is not currently in default under those agreements.

(51) “HUD” means the United States Department of Housing and Urban Development.

(52) “IRC” means Section 42 and subsections 501(c)(3) and 501(c)(4) of the Internal Revenue Code of 1986, as in effect on the date of this rule chapter, together with corresponding and applicable final, temporary or proposed regulations, notices, and revenue rulings issued with respect thereto by the Treasury or the Internal Revenue Service of the United States, which are incorporated by reference and available on the Corporation’s Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links.

(53) “Local Government” means Local government as defined in Section 420.503, F.S.

(54) “Low Income” means the adjusted income for a Family which does not exceed 80% of the area median income.

(55) “LURA” or “Land Use Restriction Agreement” means an agreement between the Corporation and the Applicant which sets forth the set-aside requirements and other Development requirements under a Corporation program.

(56) “Mortgage” means Mortgage as defined in Section 420.503, F.S.

(57) “Non-Profit” means a qualified non-profit entity as defined in Section 42(h)(5), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis, which owns at least 51% of the ownership interest in the Development held by the general partner or managing member entity and which entity is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing, as further described in this rule chapter.

(58) “Note” means a unilateral agreement containing an express and absolute promise to pay to the Corporation a principal sum of money on a specified date, which provides the interest rate and is secured by a Mortgage.

(59) “Preliminary Allocation” means a non-binding reservation of Housing Credits issued to a Housing Credit Development which has demonstrated a need for Housing Credits and received a positive recommendation from the Credit Underwriter.

(60) “Principal” means an Applicant, any general partner of an Applicant, and any officer, director, or any shareholder of any Applicant or shareholder of any general partner of an Applicant.

(61) “Progress Report” or “Form Q/M Report” means, with respect to a Housing Credit Development, a report format that is required to be completed and submitted to the Corporation pursuant to this rule chapter, and is adopted and incorporated herein by reference, effective January 2005. A copy of such form is available on the Corporation’s Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.

(62) “Project” or “Property” means Project as defined in Section 420.503, F.S.

(63) “QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2006 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective 12-22-05, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s Website under the 2006 Universal Application link labeled Related Information and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.

(64) “Received” as it relates to delivery of a document by a specified deadline means, unless otherwise indicated, delivery by hand, U.S. Postal Service or other courier service, in the office of the Corporation no later than 5:00 p.m., Eastern Time, on the deadline date.

(65) “Rehabilitation” means, with respect to the Housing Credit Program, the alteration, improvement or modification of an existing structure, as further described in this rule chapter.

(66) “RRLP” or “RRLP Program” means the Rental Recovery Loan Program which was created pursuant to Section 31, Chapter 2006-69, L.O.F., to facilitate the allocation of RRLP

Loans. RRLP Loans awarded under the RRLP Program may include, under certain restrictions, Competitive Housing Credits.

(67) “RRLP Development” means a residential development for Eligible Persons comprised of one or more residential buildings and functionally related facilities, proposed to be constructed or rehabilitated/substantially rehabilitated with funds allocated through the RRLP Program.

(68) “RRLP Loan” means the loan made by the Corporation to the Applicant from the hurricane housing recovery appropriation pursuant to Section 31, Chapter 2006-69, L.O.F.

(69) “RRLP Minimum Set-Aside Requirement” means the least number of set-aside units in a RRLP Development which must be held for persons or households pursuant to the category (i.e., Family or Elderly) under which the Application has been made, as further described in this rule chapter.

(70) “RRLP Rent-Restricted Unit” means a unit funded through the RRLP Program for which the gross rent does not exceed 30% of the imputed income limitation applicable to such unit as chosen by the Applicant in the Application and in accordance with Section 42 of the IRC.

(71) “SAIL” or “SAIL Program” means the State Apartment Incentive Loan Program created pursuant to Sections 420.507(22) and 420.5087, F.S.

(72) “Scattered Sites” for a single Development means a Development consisting of real property in the same county (i) any part of which is not contiguous (“non-contiguous parts”) or (ii) any part of which is divided by a street or easement (“divided parts”) and (iii) it is readily apparent from the proximity of the non-contiguous parts or the divided parts of the real property, chain of title, or other information available to the Corporation that the non-contiguous parts or the divided parts of the real property are part of a common or related scheme of development.

(73) “Section 8 Eligible” means a Family with an income which meets the income eligibility requirements of Section 8 of the United States Housing Act of 1937, as amended, which is adopted and incorporated herein by reference and available on the Corporation’s Website under the 2006 Rental Recovery Loan Program link labeled Related References and Links.

(74) “Single Room Occupancy” or “SRO” means housing, consisting of single room dwelling units, that is the primary residence of its occupant or occupants. An SRO does not include facilities for students.

(75) “Sponsor” means Sponsor as defined in Section 420.503, F.S.

(76) “Substantial Rehabilitation” means to bring a Development back to its original state with added improvements, where the value of such repairs or improvements (excluding the costs of acquiring or moving a structure) exceeds 40% of the appraised as is value (excluding land) of such Development before repair. For purposes of this definition, the value of the repairs or improvements means the Development Cost. To be considered “Substantial Rehabilitation,” there must be at least the foundations remaining from the previous structures, suitable to support the proposed construction.

(77) “Tax Exempt Bond-Financed Development” means a Development which has been financed by the issuance of tax-exempt bonds subject to applicable volume cap pursuant to Section 42(h)(4) of the IRC.

(78) “Tie-Breaker Measurement Point” means a single point selected by the Applicant on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on one of the Scattered Sites which comprise the

Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. In addition, the Tie-Breaker Measurement Point must be located on the site with the most units if any of the Scattered Sites has more than 4 units.

(79) "Tier" means the division of the counties of the state of Florida, as outlined in the RRLP Application instructions.

(80) "Total Development Cost" means the total of all costs incurred in the completion of a Development, all of which shall be subject to the review and approval by the Credit Underwriter and the Corporation pursuant to this rule chapter, and as further described in this rule chapter.

(81) "Treasury" means the United States Department of Treasury or other agency or instrumentality created or chartered by the United States to which the powers of the Department of Treasury have been transferred.

(82) "Universal Cycle" means any funding cycle provided for in Rule Chapter 67-48, F.A.C.

(83) "Urban In-Fill Development" means a Development (i) in a site or area that is targeted for in-fill housing or neighborhood revitalization by the local, county, state or federal government as evidenced by its inclusion in a HUD Empowerment/Enterprise Zone, a HUD-approved Neighborhood Revitalization Strategy, Florida Enterprise Zone, area designated under a Community Development Block Grant (CDBG), area designated as HOPE VI or Front Porch Florida Community, or a Community Redevelopment Area as described and defined in the Florida Community Redevelopment Act of 1969, or the proposed Development is located in a Qualified Census Tract and the development of which contributes to a concerted community

revitalization plan, and (ii) in a site which is located in an area that is already developed and part of an incorporated area or existing urban service area.

(84) "Very Low-Income" means:

(a) If using tax-exempt bond financing for the first mortgage, income which meets the income eligibility requirements of Section 8 of the United States Housing Act of 1937, as in effect on the date of this rule chapter; or

(b) If using taxable financing for the first mortgage, total annual gross household income which does not exceed 50% of the median income adjusted for family size, or 50% of the median income adjusted for family size for households within the metropolitan statistical area (MSA), within the county in which the Family resides, or within the state of Florida, whichever is greater; or

(c) If used in a Development using Housing Credits, income which meets the income eligibility requirements of Section 42 of the IRC.

(85) "Website" means the Florida Housing Finance Corporation's website, the Universal Resource Locator (URL) for which is www.floridahousing.org.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-27 Application and Selection Procedures for Developments.

(1) When submitting an Application, Applicants must utilize the Rental Recovery Loan Program (RRLP) Application in effect at the Application Deadline, unless provided otherwise in the RRLP Application instructions.

(a) The RRLP Application Package or 2006 RRLP (7-06) consists of the forms and instructions, obtained from the Corporation, for a fee, at 227 North Bronough Street, Suite 5000,

Tallahassee, Florida 32301-1329 or available, without charge, on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Instructions and Application, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the RRLP Program.

(b) All Applications must be complete, legible and timely when submitted, except as described below. Corporation staff may not assist any Applicant by copying, collating, or adding documents to an Application nor shall any Applicant be permitted to use the Corporation's facilities or equipment for purposes of compiling or completing an Application.

(2) Failure to submit an Application completed in accordance with the Application instructions and these rules will result in the failure to meet threshold, rejection of the Application, a score less than the maximum available, or a combination of these results in accordance with the instructions in the Application and this rule chapter.

(3) Each submitted Application shall be evaluated and preliminarily scored using the factors specified in the RRLP Application Package and these rules. Preliminary scores shall be transmitted to all Applicants.

(4) Applicants who wish to notify the Corporation of possible scoring errors relative to another Applicant's Application must file with the Corporation, within eight (8) Calendar Days of the date the preliminary scores are sent by overnight delivery by the Corporation, a written Notice of Possible Scoring Error (NOPSE). Each NOPSE must specify the assigned Application number and the scores in question, as well as describe the alleged deficiencies in detail. Each NOPSE is limited to the review of only one Application's score. Any NOPSE that seeks the review of more than one Application's score will be considered improperly filed and ineligible

for review. There is no limit to the number of NOPSEs that may be submitted. The Corporation's staff will review each written NOPSE Received timely.

(5) The Corporation shall transmit to each Applicant the NOPSEs submitted by other Applicants with regard to its Application. The notice shall also include the Corporation's decision regarding the NOPSE, along with any other items identified by the Corporation to be addressed by the Applicant.

(6) Within 11 Calendar Days of the date the notice set forth in subsection (5) above is sent by overnight delivery by the Corporation, each Applicant shall be allowed to cure its Application by submitting additional documentation, revised pages and such other information as the Applicant deems appropriate to address the issues raised pursuant to subsections (3) and (5) above that could result in rejection of the Application or a score less than the maximum available. Pages of the Application that are not revised or otherwise changed may not be resubmitted, except that documents executed by third parties must be submitted in their entirety, including all attachments and exhibits referenced therein, even if only a portion of the original document was revised. Where revised or additional information submitted by the Applicant creates an inconsistency with another item in that Application, the Applicant shall also be required in its submittal to make such other changes as necessary to keep the Application consistent as revised. The Applicant shall submit an original and three copies of all additional documentation and revisions. Only revisions, changes and other information Received by the deadline set forth herein will be considered. Any subsequent revision submitted prior to the deadline shall include a written request from the Applicant for withdrawal of any previously submitted revision(s).

(7) Within seven (7) Calendar Days of the deadline for receipt by the Corporation of the documentation set forth in subsection (6) above, all Applicants may submit to the Corporation a Notice of Alleged Deficiencies (NOAD) in any other Application. Each NOAD is limited only to issues created by document revisions, additions, or both, by the Applicant submitting the Application pursuant to subsection (6) above. Each NOAD must specify the assigned Application number, the pages and the documents in question, as well as describe the alleged deficiencies in detail. Each NOAD is limited to the review of only one Applicant's submission. However, there is no limit to the number of NOADs which may be submitted. NOADs which seek the review of more than one Applicant's submission will be considered improperly filed and ineligible for review. The Corporation will only review written NOADs that are Received timely.

(8) The Corporation shall transmit a copy of all NOADs to the affected Applicant.

(9) Following the receipt and review by the Corporation of the documentation described in subsections (5), (6) and (7) above, the Corporation shall then prepare final scores. In determining such final scores, no Application shall be rejected or receive a point reduction as a result of any issues not previously identified in the notices described in subsections (3), (4) and (5) above. However, inconsistencies created by the Applicant as a result of information provided pursuant to subsections (6) and (7) above will still be justification for rejection or reduction of points, as appropriate. Notwithstanding the foregoing, any deficiencies in the mandatory elements set forth in subsection (14) below can be identified at any time prior to sending the final scores to Applicants and will result in rejection of the Application. The Corporation shall then transmit final scores to all Applicants.

(10) The availability of any remaining funds shall be noticed or offered to a Development as described in the Ranking and Selection Criteria section of the RRLP Application instructions.

(11) RRLP Applications shall be limited to one submission per subject property. Two or more Applications, submitted in the same Funding Cycle, that have the same demographic commitment and one or more of the same Financial Beneficiaries, will be considered submissions for the same Development if any of the following is true: (i) any part of any of the property sites is contiguous with any part of any of the other property sites, or (ii) any of the property sites are divided by a street or easement, or (iii) it is readily apparent from the Applications, proximity, chain of title, or other information available to the Corporation that the properties are part of a common or related scheme of development. If two or more Applications are considered to be submissions for the same Development, the Corporation will reject all such Applications except the Application with the highest (worst) lottery number. The Application with the lowest lottery number will still be rejected even if the Applicant withdraws the Application with the highest (worst) lottery number.

(12) If the Board determines that any Applicant or any Affiliate of an Applicant:

(a) Has engaged in fraudulent actions;

(b) Has materially misrepresented information to the Corporation regarding any past or present Application or Development;

(c) Has been convicted of fraud, theft or misappropriation of funds;

(d) Has been excluded from federal or Florida procurement programs; or

(e) Has been convicted of a felony;

And that such action substantially increases the likelihood that the Applicant will not be able to produce quality affordable housing, the Applicant and any of the Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two years, which will begin from the date the Board makes such determination. Such

determination shall be either pursuant to a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S., or as a result of a finding by a court of competent jurisdiction.

(13) The Corporation shall reject an Application if, following the submission of the additional documentation, revised pages and other information as the Applicant deems appropriate as described in subsection (6) above:

(a) The Development is inconsistent with the purposes of the RRLP Program or does not conform to the Application requirements specified in this rule chapter;

(b) The Applicant fails to achieve the threshold requirements as detailed in these rules, the applicable Application, and Application instructions;

(c) The Applicant fails to file all applicable Application pages and exhibits which are provided by the Corporation and adopted under this rule chapter or as provided for in the RRLP Application instructions;

(d) An Applicant or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer is in arrears for any financial obligation it has to the Corporation or any agent or assignee of the Corporation. This paragraph does not include permissible deferral of SAIL or HOME interest.

(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

(a) Name of Applicant;

(b) Identity of each Developer, including all co-Developers;

(c) Program(s) applied for;

(d) Applicant applying as a Non-Profit or for-profit organization;

(e) Site for the Development;

(f) Development Category;

(g) Development Type;

(h) Demographic Commitment;

(i) County;

(j) Total number of units;

(k) Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitments section of the Application.

(l) RRLP Loan Request Amount and Competitive HC Request Amount; with the exception that an Applicant may reduce the amount to reflect the maximum request amount allowed in those instances where an Applicant requested more than its request limit.

(m) Submission of one original hard copy with the required number of photocopies of the Application by the Application Deadline;

(n) Payment of the required Application fee by the Application Deadline.

All other items may be submitted as cures pursuant to subsection (6) above.

(15) A Development will be withdrawn from funding and any outstanding commitments for funds will be rescinded if, at any time, the Board determines that the Applicant's Development or Development team is no longer the Development or Development team described in the Application, and the changes made are prejudicial to the Development or to the market to be served by the Development.

(16) If an Applicant or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer has any existing Developments participating in any Corporation programs that remain in non-compliance with Section 42 of the IRC or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Application or at the time of issuance of a credit underwriting report, the requested allocation will, upon a determination by the Board that such non-compliance substantially increases the likelihood that such Applicant will not be able to produce quality affordable housing, be denied and the Applicant and the Affiliates of the Applicant or Developer will be prohibited from new participation in any of the Corporation's programs for the subsequent cycle and continuing until such time as all of their existing Developments participating in any Corporation programs are in compliance.

(17) When two or more Applications receive the same numerical score, the Applications will be ranked as outlined in the RRLP Application instructions.

(18) At no time during the Application, scoring and appeal process may Applicants or their representatives contact Board members concerning their own Development or any other Applicant's Development. At no time from the Application Deadline until the issuance of the final scores as set forth in subsection (9) above, may Applicants or their representatives verbally contact Corporation staff concerning their own Application or any other Applicant's Application. If an Applicant or its representative does contact a Board member in violation of this section, the Board shall, upon a determination that such contact was deliberate, disqualify such Applicant's Application.

(19) Applicants may withdraw an Application from consideration only by submitting a written notice of withdrawal to the Corporation Clerk. Applicants may not rescind any notice of

withdrawal that was submitted to the Corporation Clerk. For ranking purposes, the Corporation shall disregard any withdrawal that is submitted after 5:00 p.m., Eastern Time, 14 Calendar Days prior to the date the Board is scheduled to convene to consider approval of the final ranking of the Applications and such Application shall be included in the ranking as if no notice of withdrawal had been submitted. After the Board has approved the final ranking, any notice of withdrawal submitted during the time period prohibited above and before the Board approves the final ranking, shall be deemed withdrawn immediately after Board approval of the final ranking. If an Applicant has applied for both RRLP funding and Competitive HC, the withdrawal by the Applicant from any one funding source will be deemed by the Corporation to be a withdrawal of the Application from both funding sources.

(20) The name of the Development provided in the Application may not be changed or altered after submission of the Application during the history of the Development with the Corporation unless the change is requested in writing and approved in writing by the Corporation.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-28 Applicant Administrative Appeal Procedures.

(1) At the conclusion of the review and scoring process established by this rule chapter, each Applicant will be provided with the final ranking scores and a notice of rights, which shall constitute the point of entry to contest any issue related to Applications for the RRLP Program.

(2) Each Applicant that wishes to contest the final scores must file a petition with the Corporation within 21 Calendar Days after the date Applicant receives its notice of rights. The petition must conform to subsection 28-106.201(2) or 28-106.301(2), and subsection 67-

52.002(3), F.A.C., and specify in detail each issue and score sought to be challenged. If the petition does not raise a disputed issue of material fact, the challenge will be conducted pursuant to Section 120.57(2), F.S. If the petition raises one or more disputed issues of material fact, a formal administrative hearing will be conducted pursuant to Section 120.57(1), F.S. At the conclusion of any administrative hearing, a recommended order shall be entered by the designated hearing officer which will then be considered by the Board.

(3) Any Applicant who wishes to challenge the findings and conclusions of the recommended order entered pursuant to a Section 120.57(2), F.S., proceeding concerning its own Application shall be allowed the opportunity to submit written arguments to the Board. Any written argument should be typed and double-spaced with margins no less than one inch in either Times New Roman 14-point or Courier New 12-point font and may not exceed five pages. Written arguments must be filed with Florida Housing Finance Corporation's Clerk at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, no later than 5:00 p.m., Eastern Time, on the date contained in the recommended order. Failure to timely file a written argument shall constitute a waiver of the right to have a written argument considered by the Board. Parties will not be permitted to make oral presentations to the Board in response to recommended orders.

(4) No funding will be awarded until the conclusion of all litigation and appeal proceedings conducted pursuant to Sections 120.569, 120.57, and 120.68, F.S.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-29 Fees.

The Corporation or the Credit Underwriter shall collect via check or money order the following fees and charges in conjunction with the RRLP Program, as outlined in the RRLP Application instructions:

(1) RRLP Application Package fee, if applicable.

(2) Application fee.

(3) Credit Underwriting fees.

(4) Commitment fees.

(5) Compliance monitoring fees.

(6) Loan servicing fees.

(7) Construction inspection fees.

(8) Financial monitoring fees.

(9) Administrative fees.

All of the fees set forth above are part of Development Cost and can be included in the Development Cost pro forma and paid with RRLP Loan proceeds. Failure to pay any fee shall cause the firm loan commitment to be terminated or shall constitute a default on the respective loan documents and, if applicable, Competitive HC allocation documents.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-30 Credit Underwriting and Loan Procedures.

The credit underwriting review shall include a comprehensive analysis of the Applicant, the real estate, the economics of the Development, the ability of the Applicant and the Development team to proceed, the evidence of need for affordable housing in order to determine that the Development meets the program requirements and determine a recommended RRLP Loan

amount or a combined RRLP Loan amount and Competitive HC allocation amount, if any. As part of the credit underwriting review, the Credit Underwriter will consider the applicable provisions of this rule chapter.

(1) No funding will be awarded until the conclusion of all litigation and appeal proceedings conducted pursuant to Sections 120.569, 120.57, and 120.68, F.S. At the conclusion of such litigation and appeal proceedings, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting. The Corporation shall select the Credit Underwriter for each Development. The invitation to enter credit underwriting constitutes a preliminary commitment for an RRLP Loan.

(2) A response to the invitation to enter credit underwriting must be received by the Corporation and the Credit Underwriter not later than seven (7) Calendar Days after the date of the letter of invitation. By acknowledging acceptance to enter credit underwriting for the RRLP Program, Applicants that have already accepted a preliminary commitment or preliminary allocation for the proposed Development through the SAIL, HOME-Rental, or Competitive HC Program(s) from a prior Universal Cycle or through the 2005 RRLP Funding Cycle will be deemed withdrawn from the SAIL, HOME-Rental or Competitive HC Program(s) or the 2005 RRLP Program.

(3) If the credit underwriting invitation is accepted:

(a) The Applicant shall submit the credit underwriting fee to the Credit Underwriter within seven (7) Calendar Days of the date of the letter of invitation.

(b) Failure to submit the required credit underwriting fee by the specified deadline shall result in withdrawal of the invitation and issuance of an invitation to the next eligible Applicant as outlined in the RRLP Application instructions.

(4) The Credit Underwriter shall verify all information in the Application, including information relative to the Applicant, Developer, Syndicator, General Contractor, and, if an ALF, the service provider(s), as well as other members of the Development team.

(5) The Credit Underwriter shall report any inconsistencies or discrepancies or changes made to the Applicant’s Application during credit underwriting.

(6) The Applicant will be responsible for all fees in connection with the documentation submitted to the Credit Underwriter.

(7) If the Credit Underwriter determines that special expertise is required to review information submitted to the Credit Underwriter which is beyond the scope of the Credit Underwriter’s expertise, the fee for such services shall be borne by the Applicant.

(8) A full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice and a separate market study shall be ordered by the Credit Underwriter, at the Applicant’s expense, from an appraiser qualified for the geographic area and product type not later than completion of credit underwriting. The Credit Underwriter shall review the appraisal to properly evaluate the proposed property’s financial feasibility. Appraisals which have been ordered and submitted by third party credit enhancers, first mortgagors or syndicators and which meet the above requirements and are acceptable to the Credit Underwriter may be used instead of the appraisal referenced above. The market study must be completed by a disinterested party who is approved by the Credit Underwriter. The Credit Underwriter shall consider the market study, the Development’s financial impact on Developments in the area previously funded by the Corporation, and other documentation when making its recommendation of whether to approve or disapprove a loan. The Credit Underwriter shall also review the appraisal and other market

documentation to determine if the market exists to support both the demographic and income restriction set-asides committed to within the Application.

(9) Applicants may elect to have the RRLP Loan underwritten to a minimum debt service coverage (DSC) ratio of 1.0 or have the loan underwritten without a minimum required DSC ratio, as outlined below:

(a) If the Applicant elects to have the RRLP Loan underwritten to a minimum DSC of 1.0, the proposed Development must demonstrate, based on current rates, that it can meet a minimum 1.0 DSC requirement for the RRLP mortgages and all superior mortgages.

(b) If the Applicant elects to have the RRLP Loan underwritten without a minimum DSC ratio, the Corporation will set the amount of the RRLP Loan so that a minimum percentage of the Developer fee is deferred for permanent financing. The minimum percentage of the Developer fee that must be deferred is the remainder of 100 percent minus the sum of the percentage of units set aside for ELI Households and 60% of the remaining percent. For example, if 20 percent of the units are set aside for ELI Households, the minimum percentage of Developer fee that must be deferred is the remainder of 100 percent minus the sum of 20 percent and 60 percent of the remaining 80 percent, which equals 32 percent (100% – (20% + (60% of 80%))).

(10) The maximum debt service coverage shall be 1.60 for the RRLP Loan, including all superior mortgages. In extenuating circumstances, such as when the Development has deep or short term subsidy, the debt service coverage may exceed 1.60 if the Credit Underwriter's favorable recommendation is supported by the projected cash flow analysis.

(11) The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price or stipulated sum construction contract, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the

Applicant's sole expense, a pre-construction analysis for all new construction or a physical needs assessment for Rehabilitation/Substantial Rehabilitation and a review of the Development's costs.

(12) In addition to operating expenses, the Credit Underwriter must include an estimate for replacement reserves and operating expense reserves deemed appropriate by the Credit Underwriter when calculating the final net operating income available to service the debt. A minimum amount of $200 per unit must be used for all Developments. However, the amount may be increased based on a physical needs assessment. An Applicant may choose to fund a portion of the replacement reserves at closing. The amount cannot exceed 50% of the required replacement reserves for two (2) years and must be placed in escrow at closing.

(13) The Credit Underwriter may request additional information, but at a minimum the following will be required during the underwriting process:

(a) For credit enhancers, audited financial statements for their most recent fiscal year ended, if published; otherwise the previous year's audited statements will be provided until the current statements are published or credit underwriting is complete. The audited statements may be waived if the credit enhancer is rated at least "A-" by Moody's, Standard and Poor's or Fitch.

(b) For the Applicant, general partner(s), and guarantors, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. If audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant are not available, unaudited financial statements prepared within the last 90 days and reviewed by the Credit Underwriter in accordance with Part III, Sections 604 through 607, of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide,

effective November 6, 2003, which is incorporated by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links, and the two most recent year's tax returns. If the entities are newly formed (less than 18 months in existence as of the date that credit underwriting information is requested), a copy of any and all tax returns with related supporting notes and schedules.

(c) For the General Contractor, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. The audited or compiled statements may be waived if a payment and performance bond equal to 100% of the total construction cost is issued in the name of the General Contractor by a company rated at least "A-" by AMBest & Co.

(14) The Credit Underwriter shall consider the following when determining the need for construction completion guarantees:

(a) Liquidity of the guarantor.

(b) Developer and General Contractor's history in successfully completing Developments of similar nature.

(c) Problems encountered previously with Developer or contractor.

(d) Exposure of Corporation funds compared to Total Development Cost.

At a minimum, the Credit Underwriter shall require a personal guarantee for completion of construction from the principal individual or the corporate general partner of the borrowing entity. In addition, a letter of credit or payment and performance bond will be required if the Credit Underwriter determines after evaluation of paragraphs (a)-(d) in this subsection that

additional surety is needed. However, a completion guarantee will not be required if funds are not drawn until evidence of lien free completion is provided.

(15) The Developer fee and General Contractor's fee shall be limited to:

(a) The Developer fee shall be limited to 16% of Development Cost for Developments funded with an RRLP Loan and Competitive Housing Credits. A Developer fee on the building acquisition cost shall be limited to 4% of the cost of the building exclusive of land. A Developer fee of 18% of Development Cost shall be allowed if the proposed Development is qualified for Housing Credits pursuant to Rule 67-48, F.A.C., pertaining to Tax-Exempt Bond-Financed Developments. However, the Developer fee shall be limited to 10% of Development Cost for those Developments involving Rehabilitation or Substantial Rehabilitation of buildings which have received a Corporation funding commitment or a Final Housing Credit Allocation for other construction work within fourteen years of the Application Deadline.

(b) The General Contractor's fee shall be limited to a maximum of 14% of the actual construction cost.

(16) The General Contractor must meet the following conditions:

(a) Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor's budget;

(b) Charge the costs of the Development construction trailer, if needed, and other overhead to the general requirements line item of the General Contractor's budget;

(c) Secure building permits, issued in the name of the General Contractor;

(d) Secure a payment and performance bond (or approved alternate security for General Contractor's performance, such as a letter of credit) issued in the name of the General Contractor from a company rated at least "A-" by AMBest & Co.;

(e) Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted; and

(f) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity unless otherwise approved by the Board for a specific Development.

(17) The Credit Underwriter shall require an operating deficit guarantee, to be released upon achievement of 1.0 debt service coverage for a minimum of six (6) consecutive months for the combined RRLP Loan and superior mortgages.

(18) Contingency reserves which total no more than 5% of hard and soft costs for new construction and no more than 15% of hard and soft costs for Rehabilitation or Substantial Rehabilitation may be included within the Total Development Cost for Application and underwriting purposes. Contingency reserves shall not be paid from RRLP funds.

(19) The Credit Underwriter will review and determine if the number of loans and construction commitments of the Applicant and its Principals will impede its ability to proceed with the successful development of each proposed Corporation-funded Development.

(20) All items required by the Credit Underwriter must be provided to the Credit Underwriter within 35 Calendar Days of notification from the Credit Underwriter. The Applicant will have an additional 25 Calendar Days to submit the appraisal, survey and final plans to the Credit Underwriter. Unless an extension is approved by the Corporation, failure to submit the required credit underwriting information by the specified deadlines shall result in withdrawal of the preliminary commitment and, if applicable, the HC invitation to enter credit underwriting, and the funds will be made available as outlined in the RRLP Application instructions.

(21) If the Credit Underwriter requires additional clarifying materials in the course of the underwriting process, the Credit Underwriter shall request same from the Applicant and shall

specify deadlines for the submission of same. Failure to submit required information by the specified deadline, unless a written extension of time has been approved by the Corporation, shall result in rejection of the Application. If the Application is rejected, the Corporation will make the funds available as outlined in the RRLP Application instructions.

(22) The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Applicant the section of the written draft report consisting of supporting information and schedules. The Applicant shall review and provide written comments to the Corporation and Credit Underwriter within 48 hours of receipt. After the 48 hour period, the Corporation shall provide to the Credit Underwriter comments on the draft report and, as applicable, on the Applicant's comments. Then, the Credit Underwriter shall review and incorporate, if deemed appropriate, the Corporation's and Applicant's comments and release the revised report to the Corporation and the Applicant. Any additional comments from the Applicant shall be received by the Corporation and the Credit Underwriter within 72 hours of receipt of the revised report. Then, the Credit Underwriter will provide a final report, which will address comments made by the Applicant, to the Corporation.

(23) The Credit Underwriter's recommendations will be sent to the Board for approval.

(24) After approval of the Credit Underwriter's recommendation for funding by the Board, the Corporation shall issue a firm RRLP Loan commitment.

(25) Other mortgage loans related to the Development and the RRLP Loan must close within 60 Calendar Days of the date of the firm RRLP Loan commitment unless an extension is approved by the Board. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the

time frame to close the loan. The written request will then be submitted to the Corporation's Board for consideration. The Corporation shall charge an extension fee of one-half of one percent of the total RRLP funding amount if the Board approves the request to extend the commitment beyond the period outlined in this rule chapter.

(26) At least five (5) Calendar Days prior to the RRLP Loan closing:

(a) The Applicant must provide evidence of all necessary consents or required signatures from superior or subordinate mortgagees to the Corporation and its counsel, and

(b) The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.

(27) For RRLP Applications also requesting Competitive Housing Credits, the Credit Underwriter shall use the following procedures during the credit underwriting evaluation:

(a) The Credit Underwriter, in determining the amount of Housing Credits a Development is eligible for when using the qualified basis calculation, shall use a Housing Credit percentage of:

1. Thirty (30) basis points over the percentage as of the date of invitation to credit underwriting up to nine percent (9%) for nine percent (9%) credits for new construction and Rehabilitation Developments;

2. Fifteen (15) basis points over the percentage as of the date of invitation to credit underwriting up to four percent (4%) for four percent (4%) credits for acquisition and federally subsidized Developments.

(b) Costs such as syndication fees and brokerage fees cannot be included in eligible basis. All consulting fees must be paid out of the Developer fee. Consulting fees cannot cause the Developer fee to exceed the maximum allowable fee as set forth in this rule chapter.

(c) All contracts for hard or soft Development Costs must be itemized for each cost component.

(d) If the Credit Underwriter is to recommend a Competitive Housing Credit allocation, the recommendation will be the lesser of (i) the qualified basis calculation result, (ii) the gap calculation result, or (iii) the Applicant's request amount.

(28) If the Credit Underwriter recommends that Competitive Housing Credits be allocated to the Development, the Corporation shall determine the credit amount, if any, necessary to make the Development financially feasible and viable throughout the Housing Credit Extended Use Period and shall issue a Preliminary Allocation certificate. If the Credit Underwriter recommends that no credits be allocated to the Development and the Executive Director accepts the recommendation, the Applicant shall be notified that no Housing Credits will be allocated to the Development. All contingencies required in the Preliminary Allocation shall be met or satisfied by the Applicant within 45 Calendar Days from the date of issuance or as otherwise indicated on the certificate unless an extension of this deadline is requested in writing by the Applicant and is granted by the Corporation in writing for good cause.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-31 Miscellaneous Criteria.

(1) In addition to the alteration, improvement or modification of an existing structure, Rehabilitation with respect to the Housing Credit Program includes what is stated in Section

42(e) of the IRC, with the exception of Section 42(e)(3)(A)(ii)(II), which, for the purposes of Competitive HC, is changed to read: "II. The requirement of this subclause is met if the qualified basis attributable to such amount, when divided by the number of low-income units, in the building, is $20,000 or more."

(2) For purposes of this rule chapter, in accordance with Section 42 of the IRC, a for-profit entity wholly owned by one or more qualified non-profit organizations will constitute a Non-Profit entity. The purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity. To evidence its qualification as a Non-Profit entity, the Applicant must provide within its Application a written opinion from legal counsel. The total cost of securing this written legal opinion will be borne entirely by the Applicant. A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement and the Extended Use Agreement. If an Applicant applies to the Corporation as a Non-Profit entity but does not qualify as such, the Application will be rejected.

(3) Total Development Cost includes the following:

(a) The cost of acquiring real property and any buildings thereon, including payment for options, deposits, or contracts to purchase properties.

(b) The cost of site preparation, demolition, and development.

(c) Any expenses relating to the issuance of tax-exempt bonds or taxable bonds, if any, related to the particular Development.

(d) Fees in connection with the planning, execution, and financing of the Development, such as those of architects, engineers, attorneys, accountants, Developer fee, and the Corporation.

(e) The cost of studies, surveys, plans, permits, insurance, interest, financing, tax and assessment costs, and other operating and carrying costs during construction, Rehabilitation/Substantial Rehabilitation, or reconstruction of the Development.

(f) The cost of the construction, Rehabilitation/Substantial Rehabilitation, and equipping of the Development.

(g) The cost of land improvements, such as landscaping and offsite improvements related to the Development, whether such costs are paid in cash, property, or services.

(h) Expenses in connection with initial occupancy of the Development.

(i) Allowances for working capital, contingency reserves, and reserves for any anticipated operating deficits during the first two (2) years after completion of the Development.

(j) The cost of such other items, including relocation costs, indemnity and surety bonds, premiums on insurance, and fees and expenses of trustees, depositories, and paying agents for the Corporation's bonds, for the construction or Rehabilitation/Substantial Rehabilitation of the Development.

(4) In determining the income standards of Eligible Persons for its various programs, the Corporation shall take into account the following factors:

(a) Requirements mandated by federal law.

(b) Variations in circumstances in the different areas of the state.

(c) Whether the determination is for rental housing.

(d) The need for family size adjustments to accomplish the purposes set forth in this rule chapter.

With respect to the HC Program, an Eligible Person shall mean a Family having a combined income which meets the income eligibility requirements of the HC Program and Section 42 of the IRC.

(5) Financial Beneficiary, as defined in this rule chapter, does not include third party lenders, third party management agents or companies, Housing Credit Syndicators, credit enhancers who are regulated by a state or federal agency and who do not share in the profits of the Development or contractors whose total fees are within the limit described in this rule chapter.

(6) For computing any period of time allowed by this rule, the day of the event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. history–New 7-5-06.

PART II RENTAL RECOVERY LOAN PROGRAM (RRLP)

67ER06-32 RRLP General Program Procedures and Restrictions.

(1) 2006 RRLP funding may be used in conjunction with Competitive HC for certain locations as outlined in the RRLP Application instructions. An Applicant is not eligible to apply for 2006 RRLP funding if any of the following pertain to the proposed Development:

(a) Construction or construction-permanent financing of the costs associated with construction or Rehabilitation/Substantial Rehabilitation of the Development, including tax-exempt bonds, has closed as of July 1, 2006;

(b) The Applicant has received a Carryover Allocation Agreement, as defined in Section 42 of the IRC, for the proposed Development;

(2) RRLP funds shall not be used in conjunction with funds from the SAIL, state-issued HOME-Rental or Competitive HC Program(s) allocated from a prior Universal Cycle or RRLP funds allocated from the 2005 RRLP Funding Cycle.

(3) The RRLP Minimum Set-Aside Requirements are:

(a) At least 15 percent of the total units must be held for ELI Households for a period of 20 years. Following the 20-year ELI affordability period, the ELI Set-Aside will then convert to serve families at or below 60 percent of the area median income; and

(b) At least 70% of the total units must be set aside for residents with annual household incomes at or below 60% of the area median income.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-33 Additional RRLP Application Ranking and Selection Procedures.

(1) RRLP funds shall be allocated in accordance with the ranking and selection process set forth in the 2006 RRLP Application Package.

(2) The Corporation shall assign, in order of ranking, tentative loan amounts to the Applications in each demographic category, up to the total amount available.

(3) Selection for RRLP Program participation is contingent upon fund availability at the conclusion of all litigation and appeals proceedings as set forth in this rule chapter.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-34 Terms and Conditions of RRLP Loans.

(1) The RRLP funds shall be used for the construction or Rehabilitation/Substantial Rehabilitation, with or without acquisition, of affordable, safe and sanitary multifamily rental housing units.

(2) The RRLP Loans may be in a first, second, or other subordinated lien position. For purposes of this rule chapter, mortgages securing a letter of credit as credit enhancement for the bonds financing the first mortgage shall be considered a contingent liability and part of the first mortgage lien, provided that the Applicant's counsel furnishes an opinion regarding the contingent nature of such mortgage satisfactory to the Corporation and its counsel.

(3) The base loan shall be non-amortizing and shall have interest rates as follows:

(a) 0% simple interest per annum on the pro-rata portion of the base loan attributable to ELI units over the life of the loan; and

(b) 1% simple interest per annum on the pro-rata portion of the base loan attributable to non-ELI units.

(4) The supplemental loan shall be non-amortizing and shall be based on each ELI unit at 0% simple interest per annum with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 20 years.

(5) The annual interest payment shall be based upon the Development Cash Flow, as determined pursuant to the RRLP Cash Flow Reporting Form RRLP-1. Any distribution or payment to the Principal(s) or any Affiliate of the Principal or to the Developer or any Affiliate of the Developer, whether paid directly or indirectly, which was not expressly disclosed in

determining debt service coverage in the Board approved final credit underwriting report, will be added back to the amount of cash available for the RRLP Loan interest payment, as calculated in the RRLP Cash Flow Reporting Form RRLP-1, for the purpose of determining interest due. Interest may be deferred as set forth in this rule chapter without constituting a default on the loan.

(6) If the RRLP Loan is not a first mortgage loan, each year, subject to the provisions of subsection (8) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) All superior mortgage fees and debt service;

(b) Development Expenses on the RRLP Loan, including up to 20% of total Developer fees per year;

(c) Interest payment on RRLP Loan balance;

(d) Interest payments on the RRLP Loan deferred from previous years;

(e) Mandatory payment on subordinate mortgages.

After the full RRLP Loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance.

(7) If the RRLP Loan is secured by a first mortgage lien, each year, subject to the provisions of subsection (8) below, Development Cash Flow shall be applied to pay the following items in order of priority:

(a) First mortgage fees and interest payment on RRLP Loan balance;

(b) Development Expenses on the RRLP Loan including up to 20% of total Developer fees per year;

(c) Interest payments on the RRLP Loan deferred from previous years;

(d) Mandatory payment on subordinate mortgages.

After the full RRLP Loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance.

(8) The determination of Development Cash Flow, determination of payment priorities, and payment of interest on RRLP Loans shall occur annually. Any payments of accrued and unpaid interest due annually on RRLP Loans shall be deferred to the extent that Development Cash Flow is insufficient to make said payments pursuant to the payment priority schedule established in this rule chapter. If Development Cash Flow is under-reported and such report causes a deferral of RRLP interest, such under-reporting shall constitute an event of default on the RRLP Loan. A penalty of 5% of any required payment shall be assessed.

(a) By May 31 of each year of the RRLP Loan term, the Applicant shall provide the Corporation with audited financial statements and a certification detailing the information needed to determine the annual payment to be made. However, this certification requirement will be waived until May 31 following the calendar year within which the first unit is occupied. The certification shall require submission of audited financial statements and the RRLP annual reporting form, Cash Flow Reporting Form RRLP-1, effective 6/05, which is incorporated by reference. Form RRLP-1 can be obtained from the Credit Underwriter acting as the assigned servicer or on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links. The audited financial statements are to be prepared in accordance with generally accepted accounting principles for the 12 months ended December 31 and shall include:

1. Comparative Balance Sheet with prior year and current year balances;

2. Statement of revenue and expenses;

3. Statement of changes in fund balances or equity;

4. Statement of cash flows; and

5. Notes.

The financial statements referenced above should also be accompanied by a certification of the Applicant as to the accuracy of such financial statements. A late fee of $500 will be assessed by the Corporation for failure to submit the required audited financial statements and certification by May 31 of each year of the RRLP Loan term. Failure to submit the required audited financial statements and certification by May 31 of each year of the RRLP Loan term shall constitute an event of default on the RRLP Loan. The Applicant shall furnish to the Corporation or its servicer, unaudited statements, certified by the Applicant's principal financial or accounting officer, covering such financial matters as the Corporation or its servicer may reasonably request, including without limitation, monthly statements with respect to the Development.

(b) The Corporation servicer shall issue a billing for interest due on the RRLP Loan for the immediately preceding calendar year by July 31 of each calendar year of the RRLP Loan.

(c) The Applicant shall remit the interest due to the Corporation servicer no later than August 31 of each year of the RRLP Loan term. The first payment of RRLP interest will be due no later than August 31 following the calendar year within which the first unit is occupied. The first payment of interest shall include all interest for the period which begins accruing on the date of the first Draw and ends on December 31 of the calendar year during which the first unit is occupied.

(9) After maturity or acceleration, the Note shall bear interest at the default interest rate, pursuant to the loan documents, from the due date until paid. Unless the Corporation has

accelerated the RRLP Loan, the Applicant shall pay the Corporation a late charge of 5% of any required payment that is not received by the Corporation within 15 days of the due date.

(10) Any sale, conveyance, assignment, or other transfer of interest or the grant of a security interest in all or any part of the title to the Development shall be subject to the Corporation's prior written approval.

(11) The final billing for the purpose of payoff of the RRLP Loan shall also include a billing for compliance fees to cover monitoring of RRLP Program requirements beyond the maturity date of the Note. Such fees shall be computed by determining the present value of the annual compliance monitoring fee and multiplying that by the number of years remaining in the affordability period beyond the repayment date. The present value discount rate shall be 2.75% per annum. Such amount shall be reduced by the amount of any compliance monitoring fees for other programs collected by the Corporation for the Development provided the compliance monitoring fee covers some or all of the period following the anticipated RRLP Loan repayment date.

(12) The RRLP Loans shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.

(13) The Corporation shall monitor compliance of all terms and conditions of the RRLP Loans and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any term or condition of the documents evidencing or securing the RRLP Loans shall constitute a default during the term of the RRLP Loans. The Corporation shall take legal action to effect compliance if a violation of any term or condition

relative to the set-asides committed to by the Applicant is discovered during the course of compliance monitoring or by any other means.

(14) The Corporation shall require adequate insurance to be maintained on the Development as determined by the first mortgage lender or the Corporation's servicer, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part V, Section 106 of the Fannie Mae DUS Guide, effective November 3, 2003, which is adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links.

(15) The RRLP base loan term shall be for a period of 15 years or such amount of time commensurate with the investment requirements associated with the Housing Credit syndication. The term of the loan may also exceed 15 years if the lien of the Corporation's encumbrance is subordinate to the lien of another mortgagee, in which case the term may be made coterminous with the longest term of the superior lien. The supplemental loan term shall be for a period of 20 years.

(16) Upon maturity of the RRLP Loan, the Corporation may renegotiate and extend the loan in order to extend the availability of housing for the target population. Such extensions shall be based upon:

(a) Performance of the Applicant during the RRLP Loan term;

(b) Availability of similar housing stock for the target population in the area;

(c) Documentation and certification by the Applicant that funds are not available to repay the Note upon maturity;

(d) A plan for the repayment of the loan at the new maturity date; and

(e) Assurance that the security interest of the Corporation will not be jeopardized by the extension.

(17) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the RRLP mortgage without prior approval of the Corporation's Board of Directors. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified of any such change.

(a) The Board shall approve requests for mortgage loan refinancing only if Development Cash Flow is improved, the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.

(b) The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in this rule chapter are met, the original combined loan to value ratio for the superior mortgage and the RRLP mortgages is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding RRLP base loan balance. To calculate the proportionate amount of the increase in the superior mortgage which must be paid toward the reduction of the RRLP Loan balance, the following calculation shall be used: divide the amount of the original RRLP mortgage by the combined amount of the original RRLP mortgage and the original superior mortgage; then multiply the quotient by the amount of the increase in the superior mortgage after deducting refinancing costs.

(c) The Board shall deny requests for mortgage loan refinancing which require extension of the RRLP Loan term or otherwise adversely affect the security interest of the Corporation

unless the criteria outlined in this rule chapter are met, the Credit Underwriter recommends that the approval of such a request is crucial to the economic survival of the Development or unless the Board determines that public policy will be better served by the extension as a result of the Applicant agreeing to further extend the Compliance Period or provide additional amenities or resident programs suitable for the resident population. Further, the Board shall limit any approved extension to a minimum term which makes the Development feasible and which does not exceed an industry standard term.

(18) All RRLP Loans shall be in conformance with applicable federal and state statutes, including the Fair Housing Act as implemented by 24 CFR Part 100, which is adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, which is adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links. The Corporation shall allow units dedicated to occupancy by the Elderly in a Development designed for occupancy by elderly households pursuant to authorization by HUD under the Fair Housing Amendments of 1988 as implemented by 24 CFR Part 100.

(19) All set-aside units shall be RRLP Rent-Restricted Units. A unit set aside at a particular income and rent level must house a tenant who satisfies the income requirement. Additionally, Section 8 voucher holders may not be used to satisfy the ELI Set-Aside requirement, unless those households' vouchers are paying rents only up to the ELI rent level.

(20) The documents creating, evidencing or securing each RRLP Loan must provide that any violation of the terms and conditions described in this rule chapter constitutes a default under

the RRLP Loan documents allowing the Corporation to accelerate its loan and to seek foreclosure as well as any other remedies legally available to it.

(21) A failure to pay any principal or interest due under the terms of this section shall constitute a default on the RRLP Loan.

(22) The Applicant shall provide to the Corporation an annual budget of income and expenses for the Development, certified as accurate by an officer of the Development, no later than 30 days prior to the beginning of the Development's fiscal year.

(23) The Compliance Period for a Development funded through the RRLP Program shall be, at a minimum, a period of 50 years from the date the first residential unit is occupied. For Developments which contain occupied units to be Rehabilitated/Substantially Rehabilitated, the Compliance Period shall begin not later than 60 days from the termination of the last annual lease in effect at the time of loan closing.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 17 and 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-35 Sale or Transfer of a RRLP Development.

(1) The RRLP Loans shall be assumable upon sale or transfer of the Development if the following conditions are met:

(a) The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan;

(b) The proposed transferee agrees to maintain all set-asides and other requirements of the RRLP Loans for the period originally specified or longer; and

(c) The proposed transferee and release of transferor receives a favorable recommendation from the Credit Underwriter and approval by the Board of Directors of the Corporation.

(2) If the RRLP Loan is not assumed because the buyer does not meet the criteria for assumption of the loan, the loan (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:

(a) First mortgage debt service, first mortgage fees;

(b) RRLP compliance and loan servicing fees;

(c) An amount equal to the present value of the compliance monitoring fee, as computed by the Corporation and its servicer, times the number of payment periods remaining in the affordability period beyond the repayment date. The present value discount rate shall be 2.75% per annum. Such amount shall be reduced by the amount of any compliance monitoring fees collected by the Corporation for the Development, provided the compliance monitoring fee covers some or all of the period following the anticipated RRLP Loan repayment date.

(d) Unpaid principal balance of the RRLP Loan;

(e) Any interest due on the RRLP Loan;

(f) Expenses of the sale;

(g) If there will be insufficient funds available from the proposed sale of the Development to satisfy paragraphs (2)(a)-(f) above, the RRLP Loan shall not be satisfied until the Corporation has received:

1. An appraisal prepared by an appraiser selected by the Corporation or the Credit Underwriter indicating that the purchase price for the Development is reasonable and consistent with existing market conditions;

2. A certification from the Applicant that the purchase price reported is the actual price paid for the Development and that no other consideration passed between the parties and that the Development Cash Flow reported to the Corporation during the term of the RRLP Loan was true and accurate;

3. A certification from the Applicant that there are no Development funds available to repay the RRLP Loan, including any interest due, and the Applicant knows of no source from which funds could or would be forthcoming to pay the RRLP Loan; and

4. A certification from the Applicant detailing the information needed to determine the final billing for RRLP Loan interest. Such certification shall require submission of financial statements and other documents that may be required by the Corporation and its servicer.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-36 RRLP Construction Disbursements and Permanent Loan Servicing.

(1) RRLP Loan proceeds shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the RRLP Loan to the Total Development Cost, unless approved by the Credit Underwriter.

(2) Ten business days prior to each Draw, the Applicant shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Applicant for a Draw. The request shall set forth the amount to be paid and shall be accompanied by documentation specified by the Corporation's servicer including claims for labor and materials to date of the last inspection.

(3) The Corporation and its servicer shall review the request for a Draw, and the servicer shall provide the Corporation with approval of the request or an alternative recommendation,

after the title insurer provides an endorsement to the policy of title insurance updating the policy to the date of the current Draw and increasing the insurance coverage to an amount equal to the sum of all prior Draws and the current Draw, without additional exceptions, except those specifically approved in writing by the Corporation.

(4) The Corporation will disburse construction Draws through Automated Clearing House (ACH). The Applicant may request disbursement of construction Draws via a wire transfer. The Applicant will be charged a fee of $10 for each wire transfer requested. This charge will be netted against the Draw amount.

(5) The Corporation shall elect to withhold any Draw or portion of any Draw, notwithstanding any documentation submitted by the Applicant in connection with the request for a Draw, if

(a) The Corporation or the Corporation's servicer determines at any time that the actual cost budget or progress of construction differs from that as shown on the loan documents; or

(b) The percentage of progress of construction of the improvements differs from that shown on the request for a Draw.

(6) The servicer may request submission of revised construction budgets.

(7) If the Corporation determines that further analysis by the Credit Underwriter is required prior to the release of the final Draw, the Applicant shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to the contract between the Corporation and the Credit Underwriter.

(8) Retainage in the amount of 10% per Draw shall be held by the servicer during construction until the Development is 50% complete. At 50% completion, no additional

retainage shall be held from the remaining Draws. Release of funds held by the Corporation's servicer as retainage shall occur pursuant to the RRLP Loan agreement.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

PART III HOUSING CREDIT PROGRAM (HC)

67ER06-37 HC General Program Procedures and Requirements.

In order for a Development to qualify for Competitive Housing Credits it shall, at a minimum, meet or comply with the following:

(1) Each Applicant shall comply with this rule chapter and with Section 42 of the IRC and federal regulations issued pursuant thereto and in effect at the time of the Funding Cycle. Noncompliance, outside of the compliance cure period, by an Applicant, or any Principal, Affiliate or Financial Beneficiary of an Applicant or Developer shall result in disqualification from participation in this Funding Cycle and for a period of not less than one year. The Applicant and its Principals, Affiliates and Financial Beneficiaries will continue to be ineligible to participate in future Funding Cycles until such time as all noncompliance issues are cured.

(2) Each Housing Credit Development shall comply with the minimum Housing Credit Set-Aside provisions, as specified in Section 42(g)(1) of the IRC, with respect to the reservation of 20% of the units for occupancy by persons or families whose income does not exceed 50% of the area median income, or the reservation of 40% of the units for occupancy by persons or families whose income does not exceed 60% of the area median income. Further, each Housing Credit Development shall comply with any additional Set-Aside requirements outlined in the RRLP Application instructions.

(3) The Development shall provide safe, sanitary and decent residential rental housing and shall be developed, constructed and operated in accordance with the commitments made and the facilities and services described in the Application at the time of submission to the Corporation. Applications will not be considered approved to receive an allocation of Housing Credits until the Corporation issues a Preliminary Allocation to the Applicant and all contingencies of such documents are satisfied. Allocations are further contingent on the Applicant complying with its Application commitments, this rule chapter and Section 42 of the IRC.

(4) All of the dwelling units within a Development shall be rented or available for rent on a continuous basis to members of the general public. The owner of the Development shall not give preference to any particular class or group in renting the dwelling units in the Development, except to the extent that dwelling units are required to be rented to Eligible Persons. All Developments must comply with the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, which are adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links.

(5) Each Housing Credit Development that receives a Carryover Allocation Agreement shall complete the Final Cost Certification Application within 75 Calendar Days after all the buildings in the Development have been placed in service. The Corporation may grant extensions for good cause upon written request.

(6) The Final Cost Certification Application (Form FCCA) shall be used by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing

Credit Development, including Developer's and General Contractor's fees as described in this rule chapter. Such form shall be completed, executed and submitted to the Corporation, along with the executed Extended Use Agreement, IRS Forms 8821 for all Financial Beneficiaries, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter, an unqualified audit report prepared by an independent certified public accountant, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCA instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application is adopted and incorporated herein by reference, effective January 2005, and is available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321. IRS Form 8821, Rev. April 2004, is adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links.

(7) After the final evaluation and determination of the Housing Credit Allocation amount has been made by the Corporation and the Extended Use Agreement has been executed in accordance with this rule chapter, the Forms 8609 are issued to the Applicant of the Housing Credit Development. IRS Low-Income Housing Credit Allocation Certification Form 8609, Rev. December 2005, is adopted and incorporated herein by reference and available on the Corporation's Website under the 2006 Rental Recovery Loan Program link labeled Related Information and Links. The Corporation will issue only one complete set of Forms 8609 per

Development which will be no earlier than total Development completion and the Corporation's acceptance and approval of the Development's Final Cost Certification Application.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-38 HC Carryover Allocation Provisions.

(1) If an Applicant cannot complete its Development by the end of the year in which the Preliminary Allocation is issued, the Applicant must enter into a Carryover Allocation Agreement with the Corporation by December 29th of the year in which the Preliminary Allocation is issued. The Carryover Allocation allows the Applicant up to the end of the second year following the Carryover Allocation to have the Development placed-in-service.

(2) An Applicant shall have tax basis in the Housing Credit Development which is greater than 10% of the reasonably expected basis in the Housing Credit Development within six months of the date of the execution of the Carryover Allocation Agreement or the Housing Credits will be deemed to be returned to the Corporation. Certification that the Applicant has met the greater than 10% basis requirement shall be signed by the Applicant's attorney or certified public accountant.

(3) All supporting Carryover documentation and the signed certification evidencing the required basis must be submitted to the Corporation within six months of the date of the execution of the Carryover Allocation Agreement or the Housing Credits will be deemed to be returned.

(4) The Applicant for each Development for which a Carryover Allocation Agreement has been executed shall submit quarterly progress reports to the Corporation using Progress Report Form Q/M Report, which will be provided by the Corporation. If the Form Q/M Report

does not demonstrate continuous and adequate development and construction progress, the Corporation will require monthly submission of Form Q/M Report until satisfactory progress is achieved, until the Development is placed in service, or until a determination is made by the Corporation that the Development cannot be placed in service by the Carryover deadline and the Housing Credits are returned to the Corporation in accordance with the terms of the Carryover Allocation Agreement. Form Q/M Report shall include a written statement describing the current status of the Development; the financing, construction and syndication activity since the last report; the reasons for any changes to the anticipated placed-in-service date; and any other information relating to the status of the Development which the Corporation may request. The first report shall be due to the Corporation by the first Monday in April of the calendar year following Carryover qualification.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-39 HC Extended Use Agreement.

(1) Pursuant to Section 42(h)(6) of the IRC, the Applicant and the Corporation shall enter into an Extended Use Agreement. The purpose of the Extended Use Agreement is to set forth the Housing Credit Extended Use Period, the Compliance Period, and to evidence commitments made by the Applicant in the Application. Such commitments, for example, include the Housing Credit Set-Aside commitment, resident programs, and Development amenities.

(2) The following provisions shall be included in the Extended Use Agreement:

(a) The Applicable Fraction for Housing Credit Set-Aside units for each taxable year in the Housing Credit Extended Use Period shall not be less than the Applicable Fraction;

(b) Eligible Persons occupying set-aside units shall have the right to enforce in any state of Florida court the extended use requirement for set-aside units;

(c) The Extended Use Agreement shall be binding on all successors and assigns of the Applicant; and

(d) The Extended Use Agreement shall be executed prior to the issuance of a Final Housing Credit Allocation to an Applicant. Following execution, the Extended Use Agreement shall be recorded pursuant to Florida law as a restrictive covenant.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-40 Sale or Transfer of a Housing Credit Development.

An owner of a Housing Credit Development, its successor or assigns which has been granted a Final Housing Credit Allocation shall not sell the Housing Credit Development without having first notified the Treasury of the impending sale and complying with the Treasury's procedure or procedures for completing the transfer of ownership and utilizing the Housing Credit Allocation. The owner of a Housing Credit Development shall notify the Corporation in writing of an impending sale and of compliance with any requirements by the Treasury for the transfer of the Housing Credit Development. The owner of a Housing Credit Development shall notify the Corporation in writing of the name and address of the party or parties to whom the Housing Credit Development was sold within 14 Calendar Days of the transfer of the Housing Credit Development.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.

67ER06-41 Termination of Extended Use Agreement and Disposition of Housing Credit Developments.

The Housing Credit Extended Use Period for any building shall terminate upon the date a building is acquired through foreclosure or instrument in lieu of foreclosure. Pursuant to Section 42(h)(6)(E)(ii) of the IRC, the termination of an Extended Use Agreement shall not be construed to permit the termination of a tenancy, the eviction of any existing resident of any set-aside unit, or any increase in the gross rent with respect to any set-aside unit before the close of the three-year period following such termination. In no case shall any portion of a Housing Credit Development be disposed of prior to the expiration of the Extended Use Agreement.

Specific Authority s. 31, ch. 2006-69, L.O.F. Law Implemented s. 31, ch. 2006-69, L.O.F. History–New 7-5-06.