

PROCESSING  
MEMORANDUM OF UNDERSTANDING  
Between the  
Farmers Home Administration (Alabama)  
and  
Alabama Housing Finance Authority

I. INTRODUCTION

A. The Farmers Home Administration (FmHA) Alabama, an Agency of the U.S. Department of Agriculture and Alabama Housing Finance Authority, a public corporation and independent instrumentality of the State, acting in its capacity as Administrator and housing credit agency of the Low-Income Housing Tax Credit program for the State of Alabama, hereinafter referred to as AHFA, wish to enter into the following Memorandum of Understanding (MOU) regarding the ALLOCATION of low-income housing tax credits.

B. FmHA administers a loan program authorized by Section 515 of the Housing Act of 1949, which provides financing for housing for very low- and low-income tenants in rural areas. As an incentive for developers to participate in the program, the Internal Revenue Service (IRS), in Section 42 of the Internal Revenue Code, provides tax credits, which are administered through State or local housing credit agencies.

II. SCOPE OF THE AGREEMENT

Under this agreement, the FmHA State Director and AHFA agree to engage in cooperative efforts to enable AHFA to effectively evaluate tax credit requests of FmHA applicants, as provided in Section 42 of the IRS Code.

III. PURPOSE

The purpose of this document is to establish the conditions under which the FmHA State Director and AHFA agree to operate.

- A. FmHA in Alabama agrees to quarterly provide AHFA, on Section 515 projects being considered and receiving 515 funding decisions, with data as follows:
1. A list of the latest administrative actions taken by FmHA on 515 preapplications and applications.
  2. For each application on the list the most recent Form FmHA 1924-13, "Estimate and Certificate of Actual Cost," or other cost estimation documents.
  3. A copy of Form HUD 2530/FmHA 1944-37, "Previous Participation Certification," and any Identity of Interest disclosure information that has been provided to FmHA.
  4. A copy of any AD-622, "Notice of Preapplication Review Action," issued to the applicant.

5. When the construction is complete, the ACTUAL Form 1924-13 will be provided, including any cost analysis prepared by FmHA.
  6. On an annual basis a copy of the data in the Rural Rental Housing Section 515 Program CONSTRUCTION COST ANALYSIS for the current year should be provided to AHFA.
- B. AHFA agrees to quarterly provide the FmHA in Alabama with the following data:
1. The list of Tax Credit applications received from applicants that indicate they are seeking financing from FmHA.
  2. A copy of the Tax Credit Application with the detail cost breakdown used to estimate the amount of tax credits for which the developer would be eligible.
  3. When the development is complete and the final allocation of tax credits is made the IRS Form 8609 will be provided with a copy of the cost data used to determine the development cost of the project.
- C. Parties to this agreement understand that FmHA does not certify accuracy of the tax credit applicant's eligibility, nor does FmHA certify to the applicant's compliance with requirements of Section 42 of the Internal Revenue Code. AHFA is to understand that the owner certifies the information to FmHA as being true and correct representations, and that FmHA carries out periodic reviews and analysis of the data to verify compliance with FmHA requirements.
- D. It is further understood that the information shared under the MOU is for internal analysis and will not be disclosed to other than the appropriate agency employees.

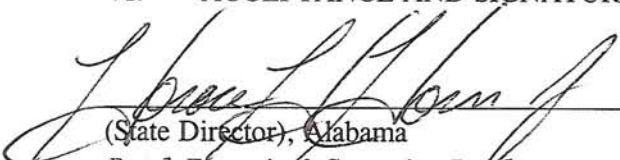
#### IV. PERIOD OF AGREEMENT

This agreement will remain in effect until terminated by written notification of either party to the other.

#### V. MODIFICATION OR AMENDMENT PROVISION

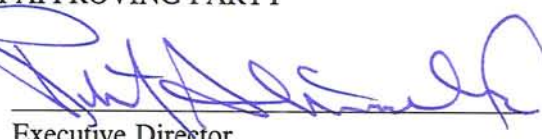
This agreement may be modified or amended by written agreement of the FmHA and AHFA. Requests for amendments to the agreement may be initiated by either of the two parties through written notification.

#### VI. ACCEPTANCE AND SIGNATURE OF EACH APPROVING PARTY

  
 (State Director), Alabama  
 Rural Economic & Community Development

September 27, 1995

Date

  
 Executive Director  
 Alabama Housing Finance Authority

9-8-95

Date