

September 6, 2022

Tax-Exempt Financing 2023 Application Dates and Program Updates

As in past years, Virginia Housing has established application deadlines for five potential tax-exempt rental housing bond issues for the 2023 calendar year (to the extent there is sufficient demand). Given recent increases in Private Activity Bond (PAB) usage and an increase in tax-exempt loan applications, Virginia Housing is working to actively manage the application and underwriting process, as well as to limit the use of PAB allocations to 55% relative to the LIHTC 50% test. [Attached](#) to this announcement is an overview of the process and related forms that will be used to document the evaluation of projected 50% calculations.

Because of the current application volume, it is essential that loan application packages are complete and project development is far enough along to have a realistic chance to meet the bond issue deadlines. A complete application should include:

- Completed loan application
- 85% plans & specs
- Initial Tax-Exempt Checklist
- Draft/Unsigned Form A – Private Activity Bond Usage form
- Investor LOI
- Bridge Lender Term Sheet (if applicable)
- Documentation of all other funding sources shown in loan application

Application Deadlines

- October 3, 2022
- December 1, 2022
- February 1, 2023
- May 2, 2023
- July 3, 2023

As a general rule, the bond inclusion deadline (the date on which Virginia Housing must be in receipt of an executed commitment, any required points and evidence of satisfaction of all pre- pricing requirements) for each series will follow the application deadline by about 120 days. A basic schedule of milestones for each series will be available at application. Please note that each application may have specific and unique requirements and deadlines based on the characteristics of the project. The Development Officer assigned to each application will provide that information.

NOTE: Virginia Housing does not guarantee that all applications will result in financing, either in a specific bond series or at all. The review of each application must be approved on A&E review, underwriting, and successful review of required materials by Virginia Housing's external bond counsel. Further, Virginia Housing reserves the right to reduce

the number of bond series offered based on demand, market conditions, or other factors.

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