



January 10, 2020

VHDA Rental Housing Development Loan Program Updates

Delay REACH *Virginia* Lending Policy Effective Date

On August 26, 2019 VHDA announced new policies regarding use of REACH Virginia funds, as well as other lending policy changes.

The policy regarding use of REACH Virginia funds was to become effective immediately for tax-exempt bond loans, as well as any taxable loan associated with 9% LIHTC deals applied for in the 2020 allocation round.

In response to comments we recently received, we will delay implementation of any change in such policy to a date to be determined, but not earlier than June 30, 2020.

During this time, we will be soliciting stakeholder comments on use of REACH Virginia funds in financing LIHTC developments, as we seek to establish workable policy parameters that best fit the needs of LIHTC program participants.

The Tax Credit Department will soon be conducting meetings in which LIHTC program stakeholders will have an opportunity to offer suggestions as to changes in the Qualified Allocation Plan (QAP). Immediately following those sessions, we will transition the discussion to REACH Virginia policy. Those meeting dates have not yet been determined.

Anyone planning to submit an application for 9% tax credits in the 2020 allocation round may, as in previous years, assume maximum "Increased REACH Allocation Limits For LIHTC Developments" as stated in the policy announced February 17, 2017. Those limits may be found on our website by [clicking here](#). Anyone submitting an application for a tax-exempt bond funded loan during this time may assume the same maximum REACH allocations under that same policy. As per usual, final REACH allocations will be determined during loan underwriting.

If you have any questions, please contact Dale Wittie at (804) 343-5876 or dale.wittie@vhda.com.

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