

Schedule D- Noncompetitive Process for Private Activity Tax-Exempt Bonds and 4% RHTC without AWHTC

Tax-exempt bonds and 4% Rental Housing Tax Credits (“RHTC”) without Affordable and Workforce Housing Tax Credits (“AWHTC”) will be awarded through a rolling, non-competitive round while volume is available. IHCD may shut down the non-competitive round at any time via release of a RED Notice.

Requests for tax-exempt bonds and 4% credits with AWHTC will be awarded through a separate competitive application round. See the terms in Schedule D1.

A. Application Process

1. Applicants must submit one application to request all sources (tax-exempt bonds, 4% RHTC, and any other supplemental funding). **IHCDA will not accept requests for tax-exempt bonds without RHTC.**
2. Applicants must follow the application instructions of the Qualified Allocation Plan (“QAP”), including the instructions in Schedule G “Application Package Submission Guidelines.”
3. Applicants must agree to use IHCD as bond issuer and must submit Form J along with the application.

B. Funding Limitations

- a. Applications will be limited to a maximum request of \$35,000,000 in tax-exempt bonds. Applicants will be limited to a maximum of \$90,000,000 in bonds in a calendar year. If IHCD determines it is in the interest of the State to allocate additional bond volume to one entity, then IHCD, with approval from the Indiana Finance Authority, may waive such limitation.
- b. The project must be financed at least 50%, but no more than 55%, with tax-exempt bonds. If federal legislation amends the 50% test, IHCD will issue a RED Notice revising this requirement as appropriate.
- c. Applicants may request additional IHCD gap sources in the form of a Development Fund and/or HOME loan, if eligible, per Schedules E and J of the 2025 QAP.

C. Threshold Requirements

Applicants are required to meet all existing threshold requirements of the QAP, with the addition of the following requirements:

- a. Minimum score to pass threshold is 50.



- b. Bond counsel on the transaction must be an Indiana firm.
- c. To be eligible for 4% RHTC, the tax-exempt bond request must represent 50% or more of the aggregate basis of the building and land of the development. The Applicant must provide IHCD A with an opinion of counsel stating that the applicant is not required to obtain an allocation of tax credits from IHCD A and that the proposed Development meets the requirements of the Qualified Allocation Plan and the Code, including the 50% bond test.

D. Tax-Exempt Bond Requirements- Closing Requirements, Deadlines, and Fees

- a. Escrow closings will not be permitted under any circumstance.
- b. Applicants who are awarded bonds must file a Notice of Issuance by the date established in the Determination Letter. Applicants must close on bonds within six months of the date of the Determination Letter. Applicants who fail to meet this closing deadline may request a three-month extension. IHCD A will allow no more than two extensions, for a maximum extension of six months beyond the original deadline. Each extension request is subject to a \$1000 extension fee as outlined in Section 7.2(C) of the QAP. If the Applicant has not closed by the end of the second extension deadline, they must return the bond volume and credits and reapply.
- c. An issuance fee equal to 0.5% of the total bond issuance will be charged to cover IHCD A costs. Such fee is payable at the closing of the bonds. The Applicant is also responsible for paying for issuer’s counsel. IHCD A reserves the right to charge a lower fee depending on the structure of the bonds.
 - a. Applicants proposing an acquisition/rehabilitation Development must submit an Attorney’s Opinion confirming that all buildings satisfy the 10-year general look-back rule of IRC Section 42(d)(2)(B) or that the buildings qualify for the acquisition credit based on an exception to this general rule [e.g., Section 42(d)(2)(D)(ii) or Section 42(d)(6)]. Place in Tab B.
 - b. Within 30 days after the date of the Determination Letter, the Applicant must pay a reservation fee to IHCD A. This fee is payable in addition to the application fee and equals six and half percent (6.5%) of the annual anticipated amount of RHTCs for the Development or \$15,000, whichever is greater.
 - c. IHCD A must approve any changes in ownership in accordance with Schedule B of this Allocation Plan.

E. Refunding of Bonds

An owner may request a refunding of bonds by submitting the following information to IHCD A:



Private Activity Tax- Exempt Bond Financing (“Bonds”) Requirements

- Request letter
- Three years of fiscal year-end financial statements for the project.
- Payment of a \$1,500 modification fee via the [online payment portal](#).

IHCDA will inspect the project prior to approval. Bond refunding must be approved by IHCDA’s Board of Directors.

