

## Affordable Housing

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**Cosmopolitan Capital Funding, LLC has been selected to participate in HUD's pilot program to streamline the processing of Low Income Housing Tax Credit (LIHTC) transactions.**

The Housing and Economic Recovery Act of 2008 mandated that FHA streamline mortgage insurance applications for projects with equity from the LIHTC program. Cosmopolitan, one of the nation's elite providers of FHA multifamily and healthcare financing was selected as one of a limited number of lenders approved to participate in a new housing tax credit pilot program run by the U.S. Department of Housing and Urban Development's Federal Housing Administration.

The pilot program tests an accelerated approval process for the purchase or refinancing of multifamily rental properties that will undergo moderate rehabilitation and re-syndicate LIHTCs. The program finances housing with 90% or more project-based rental assistance in need of moderate rehabilitation. Cosmopolitan is able to offer its clients fast-track processing for such loans in the Chicago, Detroit, Boston and Los Angeles hubs. FHA's Office of Multifamily Housing Programs believes it can reduce the time needed to review and approve applications from about one year to as little as 90 days.

Affordable Housing executions often involve both debt and equity sources of funds. These, often complicated, transactions require detailed analysis and lender guided coordination between several available private and governmental financing agencies. Among the sources of funding for these transactions are FHA mortgage insurance programs, tax-exempt bond financing options, Low Income Housing Tax Credits, Historic Tax Credits, New Markets Tax Credits and various government funding plans that can also include subordinated loans and/or grants. Cosmopolitan maintains a staff of highly knowledgeable professionals experienced in these types of transactions. Our underwriting group has a wealth of expertise in "affordable housing" finance and the proven ability to provide a complete envelope of services for financing an affordable project in a timely and cost-efficient manner.

### **HUD defines Affordable Housing as:**

- a) Projects that have a recorded regulatory agreement in effect for at least 15 years after final endorsement; or
- b) Projects that meet at least the minimum LIHTC restrictions of 20% of units at 50% of the Area Median Income (AMI), or 40% with economic rents (portion paid by tenants) on those units no greater than LIHTC rents; or
- c) Mixed income projects if the minimum low income unit rent and occupancy restrictions and regulatory agreement meet above criteria.

The leadership and staff of Cosmopolitan made a commitment to affordable housing years ago and we are extremely proud that HUD has recognized that commitment by including us as one of a few select lenders to participate in this important program. As a player in the LIHTC pilot program we are better positioned to serve our clients' needs and assist them in obtaining financing approvals for these time-sensitive transactions.

### **For additional information, please contact:**

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