

Chris Austin

From: Scott Farmer
Sent: Tuesday, October 21, 2014 1:42 PM
To: Chris Austin; Mark Shelburne
Subject: Fwd: NC QAP Comments

Begin forwarded message:

From: "Smith, Stephen" <ssmith@enterprisecommunity.com>
Date: October 21, 2014 at 12:42:28 PM EDT
To: Bob Kucab <arkucab@nchfa.com>, Scott Farmer <bsfarmer@nchfa.com>
Subject: NC QAP Comments

Bob and Scott,

I am writing to comment on the 2015 QAP. I am concerned that deals are being stretched too thin. Awarding winners based on the lowest requested credits per unit creates deals that have very little cushion. They are forced to take out higher debts and pay higher debt service. This is particularly challenging in rural areas where net operating income is already very low. This is something that Investors are very sensitive to, and we want to make sure that these deals can operate successfully for the compliance period and beyond.

I would encourage you to reconsider this position of awarding deals to the lowest credits per unit, and instead award credits to allow for lower debt loads and more sound underwriting for the long-term. If you would like to discuss further, please feel free to contact me.

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