

**SERVICING AND PROCESSING  
MEMORANDUM OF UNDERSTANDING BETWEEN THE USDA RURAL  
DEVELOPMENT AND THE FLORIDA HOUSING FINANCE  
CORPORATION**

**INTRODUCTION**

The United States Department of Agriculture Rural Development, hereinafter referred to as "USDA RD", and Florida Housing Finance Corporation, hereinafter referred to as "FHFC" wish to enter into the following Memorandum of Understanding ("MOU") regarding the processing and servicing of low-income housing tax credit projects and the joint financing of projects under our State and Federal programs. For the purposes of this MOU, the term "FHFC" may also collectively apply to any private contractors, "authorized delegates" or other State Agencies to whom the FHFC has delegated processing and servicing functions as set forth in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

USDA RD administers loan and grant programs including 1) Section 515 of the Housing Act of 1949, which provides loans for housing for very low- and low-income tenants in rural areas 2) Section 514 and 516 which provide loans and grants for farmworker housing and 3) Section 538 which provides a guaranteed loan program for the financing of multi-family housing for very low-, low- and moderate income tenants. Developers participating in these programs are also eligible to receive low-income housing credits which are administered through state or local housing credit agencies, as provided under the Code, and participatory funding through FHFC administered programs such as the State Apartment Incentive Loan (SAIL) program and the HOME Investment Partnership Program.

**SCOPE OF THE AGREEMENT**

Under this MOU, USDA RD and FHFC agree to engage in cooperative efforts to enable FHFC to effectively evaluate tax credit requests of USDA RD applicants and to effectively monitor compliance with tax credit requirements of RD borrowers, as provided in Section 42 of the Code. USDA RD and FHFC also agree to cooperate in the processing and construction requirements of projects which are jointly financed under State and Federal programs. This MOU supersedes and replaces that certain Servicing MOU effective September 1, 1995 and that certain Processing MOU signed January 29, 1996.

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**PURPOSE**

The purpose of this document is to establish the conditions under which USDA RD and FHFC agree to operate in an effort to reduce duplication of expenses and to share information on joint customers.

**I. Processing**

**A. USDA RD in Florida agrees to annually provide FHFC, on projects being considered and receiving joint funding, with data as follows:**

- 1. When construction is complete, the ACTUAL Form 1924-13, Estimate and Certificate of Actual Cost, will be provided, including any cost analysis prepared by USDA RD.**
- 2. A complete copy of the appraisal prepared by the USDA RD appraiser or a copy of an appraisal prepared by an outside appraiser with the review information from the USDA RD appraiser, will be provided.**
- 3. USDA RD will share independently prepared documentation, including market studies and feasibility studies, and will agree to accept such documentation independently prepared and submitted to FHFC.**
- 4. USDA RD agrees to provide evidence of the review of the plans and specifications by the USDA RD State Architect.**

**B. The FHFC agrees to provide annually to USDA RD:**

- 1. Within thirty (30) days after the closing of the application cycle for tax credits, a list of those tax credits applications that indicated that they have, or will have, USDA RD financing. The list shall include but is not limited to: FHFC application number, development name, development address, applicant's name, application's listed point of contact (POC) along with POC's address and phone number, number of units in the development, and amount of USDA RD financing listed.**
- 2. Within thirty (30) days after FHFC's Board of Directors approval of the final ranking of tax credit applications, the list provided in paragraph B. 1. above with an additional column indicating whether or not the listed applications have been selected for tentative funding.**

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- C. Parties to this agreement understand that USDA RD does not certify accuracy of the tax credit applicant's eligibility nor does USDA RD certify to the applicant's compliance with requirements of Section 42 of the IRS Code.**

**FHFC is to understand that the owner certifies the information to USDA RD as being true and correct representations, and that USDA RD carries out periodic reviews and analysis of the data to verify compliance with USDA RD requirements.**

**II. Servicing**

- A. FHFC will provide to USDA RD annually an updated list of USDA RD financed 515 projects which have received low-income housing credits.**
- B. USDA RD agrees to assist in providing FHFC with data concerning tenant income and rent levels on affected projects if the borrower fails to provide such information when requested.**
- C. Parties to this agreement understand that USDA RD does not certify tenant tax credit income eligibility, nor does USDA RD certify to the owner's compliance with requirements of Section 42 of the IRS Code, only that tenant income is based upon a tenant certification / recertification which is updated annually, and that the certification / recertification requires a third-party verification. FHFC understands that the owner certifies to USDA RD monthly as to continued occupancy and eligibility. USDA RD also carries out periodic supervisory actions to verify compliance by the owner with USDA RD tenant requirements.**
- D. Within 60 days of each visit, the USDA RD agrees to provide a copy of the initial post occupancy visit and the triennial supervisory visit conducted on each project. The visit will be recorded on FRM2000, Multi-Family Housing Project Management and Occupancy review, which includes the tenant file reviews, management review and unit inspection reports.**

**PERIOD OF AGREEMENT**

**This agreement will remain in effect until terminated by written notification of either party.**

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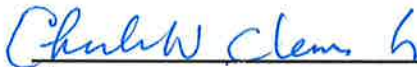
**MODIFICATION OR AMENDMENT PROVISION**

This agreement may be modified or amended only by written agreement of USDA RD and FHFC. Requests for amendments to the agreement may be initiated by either of the two parties through written notification.

**COMPLIANCE WITH STATE AND FEDERAL LAW**

USDA RD and FHFC agree to observe the requirements of any applicable Federal and State laws and regulations regarding the handling of any information exchanged in furtherance of the terms of this MOU.

**ACCEPTANCE AND SIGNATURE OF EACH APPROVING PARTY**



Name: CHARLES W. CLEMONS, SR.

Title: State Director  
USDA Rural Development

Date: February 22, 2006



Name: STEPHEN P. AUGER

Title: Executive Director  
Florida Housing Finance Corporation

Date: February 22, 2006