

**ADFA Emergency Adoption of Rules Regarding its TCAP  
And 1602 Exchange Programs Pursuant to A.C.A. §25-15-204(b)(1) and (g)(1)**

Funds awarded under the TCAP and Exchange program impose strict requirements on the recipient and ADFA. Many of the requirements are set forth in The American Recovery and Reinvestment Act, The American Recovery and Reinvestment Tax Act, Internal Revenue Code Section 42, and guidance issued by the Internal Revenue Service, HUD, and Department of Treasury, while the specific requirements implementing the programs are left to the states' housing finance authorities to develop and implement.

ADFA is the primary source of financing in the majority of developments awarded under this guidance. Thus, without the funds awarded hereunder, the affordable housing will be lost to the State. As a result, ADFA must balance its purpose of supporting development of affordable housing in Arkansas with its responsibility to administer TCAP and Exchange funds as a prudent construction financier. Accordingly, ADFA will require the recipient to provide information and documents prior to closing, for ADFA's review and approval. A listing of all documents and information required for ADFA's due diligence review prior to closing is available on ADFA's website; however, ADFA must retain discretion to add, delete and modify this list as needed, in general or on a closing-by-closing basis.

Strict expenditure deadlines apply to both TCAP and Exchange funds. Without this flexibility, ADFA will be unable to close any further TCAP or Exchange funding and this federal funding will be lost. Therefore, ADFA's current rules regarding post-award administration of the federal funding awarded under this guidance, and ADFA's discretion to modify such rules as it deems necessary to prudently administer such federal funds, either in general or regarding a specific development, are effective immediately pursuant to Ark. Code Ann. §25-15-204(b)(1) and Ark. Code Ann. §25-15-204 (g)(1).