

HOME and HTF Affordable Housing Development Grant Administration Manual Tools and Resources

Guidelines on Providing Acceptable Documentation of Non-HOME/-HTF Funding Sources

HUD regulations require that HOME- and HTF-assisted projects maintain documentation of firm commitment of funds for all sources. Below are guidelines on providing Commerce acceptable documentation of firm commitment of non-HOME or-HTF funding.

All funding for HOME and HTF projects, including construction and permanent financing, if applicable, must be firmly committed and documented at project start-up.

Examples of acceptable documentation showing firm commitment of funding for HOME and HTF projects include:

- Letters of commitment of grant funds,
- Letters of interest from investors,
- Letters of interest from lenders,
- Statements from grantees or developers committing time or materials,
- Minutes of board meetings documenting commitment of funds,
- Letters detailing deferment of developer fees,
- Letters of intent from funders, and
- Term sheets.

For HOME and HTF projects also assisted with Low Income Housing Tax Credits, the following documentation is needed:

- The project's reservation of credits from the Montana Board of Housing;
- A good faith offer of equity investment from a private investor.

 **COMMERCE**

Commerce assesses all documentation to ensure that commitments are, in fact, firm and that:

- The terms and amounts listed are consistent with project underwriting; and
- Sources are compatible with HOME and HTF program requirements e.g., affordability restrictions, income targeting, unit mix.