

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool December 3, 2008 Allocation

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRB) or mortgage credit certificates (MCC) to assist first-time homebuyers purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back below market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint power authorities may issue MCCs. The value of the credit equals up to 20% of the interest payments made annually on the program participant's first mortgage. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes; either free-standing detached homes, condominiums or townhouses. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

The California Debt Limit Allocation Committee is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2008, California's State ceiling is \$3.107 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Single-Family Housing Program Pool. For calendar year 2008, the Committee reserved approximately \$500 million or 16.1% of the State ceiling for the Single-Family Housing Pool. The \$500 million of bond authority will be allocated throughout the 2008 calendar year.

On July 30, 2008, the 2008 Housing Act (H.R. 3221) was enacted and the Committee received an additional \$1,144,564,324 in 2008 tax-exempt bond allocation. Approximately 80% of the allocation was reserved for and awarded to state and local single family housing programs, specifically for administering refinancing and/or REO (or similar) programs.

The Committee awarded a total of \$1,403,618,031 of the 2008 State Ceiling and 2008 Housing Act Volume Cap (H.R. 3221) on December 3, 2008 to the Single-Family Housing Program. These allocations will assist approximately 4,397 first-time homebuyers, of which at least 1,759 will be lower income households and approximately 143 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$44,147,970	270 Total number of MCCs 107 Total number of MCCs to low income households (40% of total) 0 Total number of MCCs to homebuyers purchasing newly constructed homes (0% of total)

Mortgage Revenue Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$1,359,470,061	4,127 Total number of below market interest rate loans 1,652 Total number of loans to lower income households (40% of total) 143 Total number of loans to homebuyers purchasing newly constructed homes (3.5% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$1,403,618,031</u>	4,397 Total number of below market interest rate loans and MCCs 1,759 Total number of loans and MCCs to low income households (40% of total) 143 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (3.2% of total)