



IDB Private Activity Cap Guidelines
(adopted by NIFA Board of Directors May 29, 1998, amended December 14, 2001)

1. Goal: to allocate approximately \$20-25 million of IDB PAC annually. Once the limits from Category II of the Executive Order (\$45 million) are exceeded, the projects will be ranked for consideration to receive allocations from Category III (\$67.5 million).
2. A refundable reservation fee would be assessed at the time of the inducement or allocation in the amount of 1% of the allocation amount with a minimum fee of \$5,000. This fee will be forfeited to the extent Private Activity Cap is not used within the time deadlines.
3. Reservations and inducements (if required) will occur simultaneously.
4. No inducement will be allowed without a corresponding reservation unless the applicant acknowledges that the inducement is for administrative purposes only and it does not connote either approval or a reservation of resources for the project. Administrative inducements can be authorized for a reduced fee.
5. Until the federal private activity cap limits are expanded, Volume Cap reservations will not exceed \$9 million per project. But, with the consent of the Executive Director, the application for the maximum bond amount could be increased to address significant economic events. Such exceptions would require that a comprehensive study prepared at the applicant's expense (under the direction of NIFA and the impacted community) to carefully assess the situation addressed by the application. Final approval of the increase would rest with the NIFA Board.
6. The IDB Volume Cap allocation process will attempt to equalize allocations over the three congressional districts.
7. NIFA will conduct approximately 3 allocation rounds per year.
8. The guidelines will require that the resource be firmly committed in 60 days (issuance documents in circulation) and used in 90 days. An administratively approved extension of 60 days could be obtained, in extenuating circumstances, for a non-refundable extension fee of up to 1/2 of 1% of the principal amount.
9. The guidelines will develop priorities so that competing applications in the same district can be differentiated.
10. Allocations and inducements will generally not be considered in this category after the September NIFA Board meeting.
11. An additional optional housing impact fee of up to 1% may be charged on projects.