

SUMMARY OF AMENDMENT TO THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY'S HOUSING CREDIT PROGRAM 2008 QUALIFIED ALLOCATION PLAN

On July 19, 2007, the Authority's Board of Directors adopted its 2008 Qualified Allocation Plan ("QAP"). On July 17, 2008, the Board amended the QAP by extending the time period on which allocatees of 2008 federal low-income housing tax credits could submit proof satisfying the ten percent (10%) carryover allocation basis requirement of Section 42(h)(1)(E) of the Internal Revenue Code from December 8, 2008 to April 1, 2009.

On February 17, 2009, the federal "American Recover and Reinvestment Act of 2009" ("ARRA"). That law provides for two subsidies to assist the low-income housing tax credit market: (1) the Tax Credit Assistance Program ("TCAP"); and (2) a grant program whereby Arkansas can elect to receive a grant of funds in an amount up to \$.85 for tax credits consisting of all unused and returned credits held by the Authority plus 40% of our 2009 state ceiling. This is referred to as the "exchange program". Please contact ADFA's Housing Department for detailed information on these two subsidies.

The subsidies provided by ARRA will not be available for the 2008 allocatees until after expiration of the current April 1, 2009, date for proving carryover allocation basis. In order to allow the 2008 allocatees to receive the subsidies allowed under ARRA, the Board adopted the following amendment extending the proof of carryover allocation basis to October 1, 2009. This extension is pursuant to Section 42(h)(1)(E)(ii) of the Internal Revenue Code.