

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **Novogradac Private Activity Bond and 4% LIHTC Overview Webinar (June 2021)**

**Thursday, June 17, 2021 - 10:00am to 12:00pm**

This course presents an overview of the major accounting concepts associated with the use of private activity bonds and 4 percent low-income housing tax credits (LIHTCs) to finance affordable multifamily rental housing properties.

### **Topics Covered**

- Overview of affordable housing finance and need for debt and equity
- Overview of public (tax-exempt) vs. private (taxable) bonds
- Introduction to Internal Revenue Code Section 142(d) and private-activity tax-exempt bonds
- Players in a bond transaction
- Borrower, issuer, underwriter, purchasers, credit enhancer, lender, trustee, bond counsel
- LIHTC calculation
- Eligible basis, applicable fraction, qualified basis, credit rate, annual credits
- Locking credit rate
- Equity financing with 30% present value (4%) tax credits
- The 4% floor
- Understanding 9% vs. 4% programs
- The 50% test
- Common pitfalls
- Timing issues
- Single vs. multi-building properties
- Multi-year placed-in-service dates
- Good costs/bad costs (95-5 test)
- Related-party considerations (e.g. developer fee)
- Soft debt
- Seller's notes
- Differences between Section 142(d) bond rules and Section 42 tax credit rules
- Q&A

[Click here](#) to learn more and to register.