

## **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

### **Estimated Public Benefits Single-Family Housing Program Pool 2008 Summary**

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 \$1,549,960,485 of the 2008 State Ceiling and 2008 Housing Act Volume Cap (H.R. 3221) to the Single-Family Housing. Of this amount, \$144,831,352 was allocated to Mortgage Credit Certificate Programs and \$1,405,129,133 was allocated to Mortgage Revenue Bond Programs. These allocations will assist approximately 5,007 first-time homebuyers, of which at least 2,003 will be lower income households and approximately 287 will purchase newly constructed homes.

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## SUMMARY OF ALLOCATIONS

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### Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER &amp; DESCRIPTION OF PUBLIC BENEFITS</u>
\$144,831,352	749 Total number of MCCs 299 Total number of MCCs to low income households 131 Total number of MCCs to homebuyers purchasing newly constructed homes (18% of total)

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### Mortgage Revenue Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER &amp; DESCRIPTION OF PUBLIC BENEFITS</u>
\$1,405,129,133	4,258 Total number of below market interest rate loans 1,704 Total number of loans to lower income households (40% of total) 156 Total number of loans to homebuyers purchasing newly constructed homes (4% of total)

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### TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER &amp; DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$1,549,960,485</u>	5,007 Total number of below market interest rate loans and MCCs 2,003 Total number of loans and MCCs to low income households (40% of total) 287 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (6% of total)