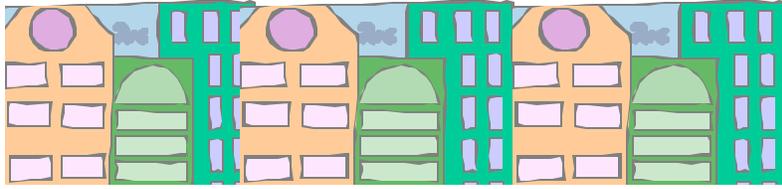


Office of Multifamily Housing Assistance Restructuring



MAHRA Reauthorization “Mark to Market Extension Act of 2001”

Overview

In January 2002, the President signed into law legislation that extends the Mark-to Market program for another 5 years. There are a number of amendments that enhance the program for many stakeholders and expand the opportunity to preserve affordable housing.

The presenters will summarize the new legislation and discuss implementation of the provisions.

Provisions

Highlights of the new legislation include the following:

- Improvements to 223(a)(7) Financing
 - Extends eligibility to HUD Held loans being restructured.
 - Allows a loan term up to 30 years.
- Addition of Significant Features
 - Provides for a lower required owner contribution toward certain rehab items that are over and above the ‘non-luxury’ standard.
 - This provision lists as examples: a/c, elevator, and new community space.
- “Look-Back Projects”
- 2nd Mortgage Amount
 - Changes the definition of the 2nd mortgage amount.
 - The full claim amount can be placed in to the 2nd mortgage, subject to Repayability.
- Exception Rents Above 120% of FMRs
 - A new formula will allow a larger universe of properties eligible for M2M rents exceeding 120% of FMRs.
- Eligibility for Preservation Properties Being Sold
 - Extends eligibility to ELIHPA/LIHPA properties.
- ITAG and OTAG Funding

If time permits, there may be a brief discussion of additional provisions covered in the new legislation.