

DHCD Multifamily Program Fees

The following charts set forth fees and deposits required by the Department in connection with: loan applications; loan closing and servicing; bond loan credit enhancement and insurance; low income housing tax credits; and post-closing monitoring and asset management for loans and low income housing tax credits. The fees and deposits vary by the type of financing as provided under each chart heading. Note: the Department administers other programs not covered by this schedule, such as the Partnership Rental Housing Program, the Shelter and Transitional Housing Facilities Grant Program, and various energy loan and grant programs, which may be used independently or in conjunction with the programs covered by this schedule. Those other programs may require additional fees. Consult the project underwriter to determine if other fees are applicable.

Unless otherwise noted, the fees set forth herein are effective as of the date of the 2018 Multifamily Rental Financing Program Guide for all projects, regardless of the status of the financing application or loan commitment. All fees are subject to change at the discretion of the Department, and any such changes will be posted on the Department's website, along with the effective date of the change. The Department reserves the right to charge additional fees or require additional deposits in connection with new financing initiatives or new financing structures. Any such additional fees or deposits will be posted on the Department website.

Unless advised otherwise by official CDA Notices, all fees must be made payable to "Community Development Administration" or "CDA" and remitted, on the due dates set forth in the charts below, to:

For LIHTC Fees:

Remit per invoice provided by CDA
7800 Harkins Road
Lanham, MD 20706

For All Other Fees:

Community Development Administration
Post Office Box 2524
Landover Hills, MD 20784

For more information about Multifamily fees please contact: dhcd.rentalhousing@maryland.gov

General Fees

These fees apply to the Rental Housing Finance Program (“RHFP”, which includes the Rental Housing Program and Multifamily HOME), Rental Housing Works (“RHW”) and Multifamily Bond Program (“MBP”) funds and Low Income Housing Tax Credits (“LIHTC”) awarded under the [Multifamily Rental Financing Program Guide](#) (except as noted).

Fee Name	Amount	Description	Due Date
Application Fee	\$2,500 per application	Single fee regardless of the number of resources (loans or LIHTC) requested	Submission of application
Subsidy Layering Fee	\$1,000 per review	Required for all projects with new project based contracts for which CDA conducts the Subsidy Layering review but is not the contract administrator	As invoiced by CDA prior to or at initial closing
Development Team Change Review Fee	\$2,500 per review	Review fee for projects with proposed changes to the Primary Development Team after the initial kickoff meeting	As invoiced by CDA prior to or at initial closing
DHCD Closing Attorney’s Fees	\$32,000 for the first loan; \$6,000 for each additional loan	Documentation and closing services of DHCD’s counsel	Initial closing; not applicable to HOME loans or LIHTC-only projects

Low Income Housing Tax Credit (LIHTC) Fees

The following fees are required for projects receiving LIHTC:

Competitive LIHTC (9%)

Fee Name	Amount	Description	Due Date
Reservation Fee	\$5,000 per reservation	Required only for projects selected for competitive LIHTC awards	Receipt of reservation letter
10% Expenditure Test Deadline Extension Fee	\$1,000 for each month the deadline is extended up to the maximum of 12 months after the date of Carryover Allocation	Required for any extensions of the originally agreed-upon schedule	Submission of Affidavit of Utilization of a Reservation

Fee Name	Amount	Description	Due Date
LIHTC Allocation Fee	5% of annual tax credit amount allocated	Required for allocations of LIHTC	Receipt of allocation
LIHTC Credit Exchange Fee	1% of annual tax credit amount allocated	Required for requests to cancel an allocation of tax credits for a subsequent reallocation from the current or future year's tax credit ceiling in the same amount as the original allocation.	Receipt of the future calendar year carryover allocation
IRS Form 8609 Amendment Fee	\$4,000 per project	Due for any changes that must be made to IRS Form(s) 8609 already issued by CDA; waived if amendment results from an administrative error by CDA	Submission of a request for an amended IRS Form 8609
LIHTC Compliance Monitoring Fee	\$35 per unit per year	Required for all LIHTC projects during Compliance Period and Extended Use Period	Annually as invoiced
IRS Form 8823 Compliance Re-Review Fee	\$25 per unit per occurrence	Upon request for issuance of an 8823 by CDA to correct a previously uncorrected 8823	At time of request

Non Competitive LIHTC (4%)

Fee Name	Amount	Description	Due Date
LIHTC Allocation Fee	5% of estimated annual tax credit amount allocated	For tax-exempt bond financed projects that make use of 4% LIHTC	Issuance of §42(m) letter. Issuance of IRS Form(s) 8609 for any additional fee due for actual tax credit allocated over initial estimate
IRS Form 8609 Amendment Fee	\$4,000 per project	Due for any changes that must be made to IRS Form(s) 8609 already issued by CDA; waived if amendment results from an administrative error by CDA	At time of request

Fee Name	Amount	Description	Due Date
LIHTC Compliance Monitoring Fee	\$35 per unit per year	Required for all LIHTC projects during Compliance Period <u>and</u> Extended Use Period	Annually as invoiced
IRS Form 8823 Compliance Re-Review Fee	\$25 per unit per occurrence	Upon request for issuance of an 8823 by CDA to correct a previously uncorrected 8823	At time of request

DHCD Loan Fees

The following fees are due for all projects which include an RHFP or RHW loan (except as noted).

Fee Name	Amount	Description	Due Date
Rental Housing Program or Rental Housing Works Commitment Fee	1.5% of the loan amount	Origination and underwriting fee	Initial closing; may be financed; no commitment fee is due on HOME loans
Loan Servicing Fee	One-time fee of \$7,500 per loan	Loan servicing and asset management activities of DHCD for the term of the loan	Initial closing
Tax Escrow Fee	\$65 for loan amounts up to \$500,000 plus an additional \$10 per each \$100,000 or portion thereof over \$500,000 (based only on the senior DHCD loan)	All multifamily loans where real estate taxes will be escrowed and paid by DHCD's loan subservicer	This is a one-time fee to be paid at initial closing

Multifamily Bond Program Fees

Fees due in connection with CDA's multifamily bond program vary depending on the bond or tax exempt loan structure and the type of credit enhancement involved. Current options include FHA Risk Sharing, GNMA Short Term Taxable/Tax-Exempt Loans, GNMA Long Term, Freddie TEL, and Fannie Mae MTEB. Other structures may be offered in the future. A chart showing the different structures and fees can be found on the [Multifamily Bond Program Fee guidance](#). For projects with FHA Risk Sharing or MHF short term bond insurance, see also the sections below for MHF fees, which will still apply in addition to the fees on the fee chart.

Regardless of the bond or tax exempt loan structure and the type of credit enhancement involved, all borrowers must pay a nonusage deposit equal to 2% of the estimated loan amount to CDA within 10 days of CDA engaging bond counsel and commencing closing calls, which usually occurs 60-90 days prior to closing. The nonusage deposit will be credited to actual costs of issuance at closing;

provided, however, if the loan or bonds do not close, the nonusage deposit will be applied to pay CDA's actual incurred costs.

CDA/FHA Risk Sharing Fees

These fees are due for loans which are serviced and insured through the Risk Sharing Program; these fees are collected by CDA as the loan servicer and paid to MHF for MHF's Application, Administrative and Closing Fees and to MHF and FHA in accordance with the Risk Sharing Agreement with FHA for MIP, all as detailed below.

Fee Name	Amount	Description	Due Date
MHF Application Fee	The greater of .10% of the insured loan amount or \$1,000	Application review and approval activities	Initial closing
MHF Administrative and Legal Fee	1% of the original principal amount of the loan	Underwriting, document review, closing and legal costs for MHF insurance	Initial closing
Construction Period Mortgage Insurance Premium (MIP)	0.25% of the loan amount for each 12 months, or portion of 12 months of the construction period	Mortgage insurance premium during construction period	Initial closing
First Year's Permanent MIP	0.25% of the estimated permanent loan amount	Mortgage insurance premium for the first year of the project's permanent loan period	Initial closing
Ongoing Permanent MIP	0.25% of the outstanding permanent loan balance	Mortgage insurance premium for each year of the project's permanent loan period	Included in each payment of debt service; payments to MHF made annually by CDA

MHF Fee – Short Term Bond Loan Insurance

This fee is due for short term bond loans insured by MHF. The use of this insurance is limited to projects for which obtaining a letter of credit to insure the short term loan is cost-prohibitive. Additional restrictions are applicable to the use of this insurance – consult an underwriter for full details.

Fee Name	Amount	Description	Due Date
MHF Fee	2.25% of the original principal amount of the loan for each 12 month or portion of 12 month period of the loan. May be reduced subject to permitted yield limits – consult an underwriter	Insurance of short term bond loans	Initial closing

Additional Post Closing Functions

The following fees are due for any changes to RHFP, RHW, and MBP loans and/or LIHTC, These functions may be provided by CDA or by the Division of Credit Assurance, or some combination of the two divisions. For any project which has more than one source of CDA or DHCD financing, including LIHTC, only one fee will be due. All fees due at submission of the request are non-refundable; fees due at closing are due only in the event closing occurs.

Fee Name	Amount	Description	Due Date
RHP or RHW Loan Payoff Review Fee**	\$3,000	Review of existing documents, calculation of payoff amounts	\$1,500 due at submission of payoff request and \$1,500 due at closing; no fee due on HOME loans
RHP or RHW Loan or LIHTC Modification Fee**	\$10,000, may be waived or added to the loan amount in the case of loss mitigation, loan workout, or restructuring at the discretion of the Department	Review of existing documents, preparation of new documents and repayment schedules	\$5,000 due at submission of modification request and \$5,000 due at closing; no fee due on HOME loans
Bond Loan Payoff Review Fee	\$10,000	Review of existing documents, calculation of payoff amounts, verification of sources and uses	\$5,000 due at submission of payoff request and \$5,000 due at closing
Bond Loan Modification Fee	\$10,000 plus external Bond Counsel fees as incurred	Review of existing documents, preparation of new	\$5,000 due at submission of modification request and the remaining

Fee Name	Amount	Description	Due Date
		documents and repayment schedules	\$5,000 along with external Bond Counsel, Financial Advisor, Trustee and Trustee legal fees due at closing
RHP or RHW Loan or LIHTC Assumption or Subordination Fee**	\$5,000	Assumption or subordination of loans or LIHTC including deeds of trust, regulatory agreements, LIHTC covenants or other loan or LIHTC documents	Assumption/Subordination closing; no fee due on HOME loans
Loan Servicing Fee – Assumptions**	One-time fee of \$7,500 per loan	Loan servicing and asset management activities of DHCD for the term of the loan	Closing of assumption if not collected at initial closing of the loan
Tax Escrow Fee – Assumptions**	\$65 for loan amounts up to \$500,000 plus an additional \$10 per each \$100,000 or portion thereof over \$500,000 (based only on the senior DHCD loan)	All multifamily loans where real estate taxes will be escrowed and paid by DHCD's loan subservicer	This is a one-time fee to be paid at Closing of assumption if not collected at initial closing of the loan
Bond Loan Assumption Fee	1.5% of the outstanding principal balance of the loan	Bond loan assumption	Assumption closing
Restructuring Fee**	\$5,000	This fee is for requests for approval of partnership or limited liability company restructuring including the replacement of a general partner/managing member, or limited partner/non-managing member	Upon receipt of request
Collateral Modification Review Fee**	\$3,000	This fee is for easements, rights of way, and partial releases that require approval of the Board of Public Works	Upon receipt of request

**These fees are applicable to loans made under former CDA or DHCD multifamily lending programs which may no longer be active, including MRHP, NRP, ERHP, RHPP and Office Space Conversion