low-income families after subsidies expire, a priority HUD objective.

18. Regulation: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b)

Project/Activity: Salisbury, North Carolina Housing Corporation of bonds which financed a Section 8 assisted project, the Yadkin Senior Citizens Apartments (FHA No. 053–35296).

Nature of Requirement: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal

Housing Commissioner.

Dated Granted: April 26, 1994. Reasons Waived: The part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on September 2, 1993. Refunding bonds have been priced to an average yield of 6.74%. The tax-exempt refunding bond issue of \$2,190,000 at current lowinterest rates will save Section 8 subsidy. The Treasury also gains longterm tax revenue benefits through replacement of outstanding tax-exempt coupons of 9% at the call date with taxexempt bonds yielding 6.74%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 9% to 7.4%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

19. Regulation: 24 CFR 811.107(a)(2), 811.108(b)(3), 811.107(b), 811.108(b)(4), 811.114(b)(3), 811.114(d), 811.115(b)

Project/Activity: Odessa, Texas HDC refunding of bonds which financed a Section 8 assisted uninsured project, the Chaparral Village Apartments, HAP No. TX16–0018–005.

Nature of Requirement: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Dated Granted: April 28, 1994. Reasons Waived: The part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. This refunding proposal was approved by HUD on December 27, 1993. Refunding bonds have been priced to an average yield of 6.375%. The tax-exempt refunding bond issue of \$1,850,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons benefits through replacement of outstanding tax-exempt coupons of 10.25%-12% at the call date with taxexempt bonds yielding 6.375%. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likeihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

20. Regulation: 24 CFR 811.107(a)(2), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b)

Project/Activity: Warren, Ohio HA refunding of bonds which financed a Section 8 assisted project, the Walnut Towers Apartments (FHA No. 046–35568).

Nature of Requirement: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing— Federal Housing Commissioner.

Dated Granted: May 16, 1994. Reasons Waived: The part 811 regulations cited above were intended for original bond financing transactions and do fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on February 24, 1994. Refunding bonds have been priced to an average yield of 6.86%. The tax-exempt refunding bond issue of \$4,600,000 at current lowinterest rates will save Section 8

subsidy. The Treasury also gains longterm tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.5% at the call date with tax-exempt bonds at lower current yields. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.5% to 7.25%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority **HUD** objective.

21. Regulation: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b)

Project/Activity: Villa Excelsior HDC refunding of bonds which financed a Section 8 assisted project in Providence, Rhode Island, the Villa Excelsior Apartments (FHA No. 016–35074).

Nature of Requirement: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

Granted by: Nicholas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Date Granted: May 18, 1994. Reasons Waived: The part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on April 20, 1994. Refunding bonds have been priced to an average yield of 6.79%. The tax-exempt refunding bond issue of \$3,565,000 at current lowinterest rates will save Section 8 subsidy. The Treasury also gains longterm tax revenue benefits through replacement of outstanding tax-exempt coupons of 11.25% at the call date with tax-exempt bonds at lower current yields. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 11.51% to 7.2%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce