replacement of outstanding tax-exempt coupons of 101/4%-13% at the call date with tax-exempt bonds yielding 6.46%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 11.52% to 6.9%, 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.

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

Project/Activity: Warren (Ohio) Metropolitan Housing Authority refunding of bonds which financed a Section 8 assisted project, the Cambridge Arms II Apartments, FHA No. 046–35572.

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.

Date Granted: June 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. 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 January 11, 1994. Refunding bonds have been priced to an average yield of 6.56%. The tax-exempt refunding bond issue of \$4,340,000 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 9.9% at the call date with tax-exempt bonds yielding 6.56%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.125% to 6.75%, 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.

27. Regulation: 24 CFR 811.114(d), 811.115(b), 811.117

Project/Activity: Carbon County, PA HA refunding of bonds which financed a Section 8 assisted project, Palmerton Elderly Apartments, HUD No. PA26– 0047–001.

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.

Date Granted: April 21, 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 under Section 103 of the Tax Code. This refunding proposal was approved by HUD on March 25, 1993. Refunding bonds have been priced to an average yield of 5.74%. The tax-exempt refunding bond issue of \$2,470,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding taxexempt coupons of 9%-9.5% at the call date with tax-exempt bonds yielding 5.74%. 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 lower-income families after subsidies expire, a priority HUD objective.

28. Regulation: 24 CFR 811.114(d), 811.115(b), and 811.117

Project/Activity: Burlington, North Carolina HA refunding of bonds which financed a Section 8 assisted project, Alamance Plaza Apartments, FHA No. 053–35319.

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.

Date Granted: June 08, 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 under Section 103 of the

Tax Code. 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 23, 1993. Refunding bonds have been priced to an average yield of 6.8%. The tax-exempt refunding bond issue of \$2,795,000 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 of 10.8%-11.5% at the call date in 1994 with tax-exempt bonds yielding 6.8%. The refunding will also substantially reduce the mortgage interest rate at expiration of the HAP contract from 12% to 7%, 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 lower-income families after subsidies expire, a priority HUD objective.

29. Regulation: 24 CFR 811.114(d), 811.115(b), 811.117

Project/Activity: The Housing Finance Authority of Dade County, Florida refunding of bonds which financed a Section 8 assisted project, Lincoln Fields Apartments, FHA No. 066–35161.

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.

Date Granted: June 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 under Section 103 of the Tax Code. 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 9, 1993. Refunding bonds have been priced to an average yield of 6.29%. The tax-exempt refunding bond issue of \$6,700,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding taxexempt coupons of 10.25%-11.25% at