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 14, 1995. Refunding bonds have been priced to an average yield of 6.42%. The tax-exempt refunding bond issue of \$1,275,000 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 10.5% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.23% to 6.7%, 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 lowincome families after subsidies expire, a priority HUD objective.

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

PROJECT/ACTIVITY: Hilliard HDC of Columbus, Ohio refunding of bonds which financed a Section 8 assisted project, the Sturbridge Green Apartments (FHA No. 043–35260).

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 25, 1995. 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 March 16, 1995. Refunding bonds have been priced to an average yield of 6.35%. The tax-exempt refunding bond issue of \$1.435.000 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 10.4% at the call date with tax-exempt bonds yielding 6.35%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.7% to 6.65%, 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 lowincome families after subsidies expire, a priority HUD objective.

4. RĚGULATIÔN: 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: Ohio Capital Corporation for Housing refunding of bonds which financed three Section 8 assisted projects, Miamisburg Manor, Mountaingate, and Applewood Village Apartments (FHA Nos. 046–35520, 046–35533, and 043– 35246).

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: May 4, 1995.

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 March 21, 1995. Refunding bonds have been priced to an average yield of 6.28%. The tax-exempt refunding bond issue of \$3,935,000 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 8.5% 9.5% at the call date with tax-exempt bonds yielding 6.28%. The refunding will also substantially reduce the FHA mortgage interest rates at expiration of the HAP contract, from 9.25% and 8.5% to 6.6%, 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 lowincome families after subsidies expire, a priority HUD objective.

5. RĚGULATION: 24 CFR 811.114(d), 811.115(b), 811.117.

PROJECT/ACTIVITY: The Housing Finance Corporation of Long Branch, New Jersey refunding of bonds which financed a Section 8 assisted uninsured project, Ocean View Towers, HUD No. NJ39–0014–052.

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: May 11, 1995. 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 July 22, 1994. Refunding bonds have been priced to an average yield of 6.32%. The tax-exempt refunding bond issue of \$5,445,000 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 7.75% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. 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.

6. REGULATION: 24 CFR 811.106(d) and 811.107(d) of 1977 Regulations.

PROJECT/ACTIVITY: Greenville (North Carolina) HA refunding of bonds which financed an uninsured Section 8 assisted project: University Towers Elderly Apartments, HUD Project Number NC19–0004–005.

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-FHA Commissioner.

DATE GRANTED: May 15, 1995. **REASONS WAIVED: The Part 811** regulations cited above prohibited refundings and required that excess reserve balances be used for project purposes. The issuer has requested HUD permission to release excess reserve balances from the 1979 Trust Indenture for use in providing affordable housing for low-income families. Issuance of 1995 refunding bonds under Section 103 of the Tax Code will reduce project debt service and generate Section 8 savings to be shared equally by the Issuer and the U.S. Treasury pursuant to the McKinney Act. The Housing Authority has agreed to extend low-income occupancy in this project for 10 years after expiration of the Housing Assistance Payments Contract.

7. 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: Ohio Capital Corporation for Housing refunding of bonds which financed three Section 8 assisted projects, Athens Gardens, Sprucewood Commons, and Woodwind Apartments (FHA Nos. 043–35266, 043–35254, and 046–35535).

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: May 17, 1995. 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 March 29, 1995. Refunding bonds have been priced to an