ILLINOIS HOUSING DEVELOPMENT AUTHORITY
WWW.IHDA.ORG

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Bond Recycling Program

Term sheet effective for applications submitted after May 1, 2025

The Authority has designed and implemented a Bond Recycling Program to preserve and recycle prior year(s) tax-exempt bond volume cap that would otherwise expire upon repayment of construction financing, resulting in the redemption of those bonds.

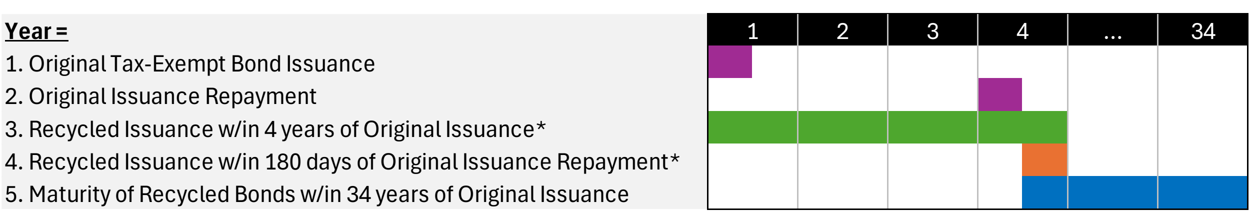
Please refer to the standard IHDA Conduit Bond Program Term Sheet for terms, conditions, and pricing related to the issuance of bonds.

Bond Recycling Rules

Recycled Bonds are subject to availability and must follow these rules:

- New financings utilizing Recycled Bonds must be made to an eligible project within 180 days of the effective date of the preservation of the construction bonds ("Original Bonds").
- The issuance of the Recycled Bonds ("Bond Refunding") must occur within four years of the issuance of the Original Bonds.
- Maturity of any Recycled Bonds must be within 34 years of the Original Bond issuance date (generally construction loan closing date).
- Recycled bonds are subject to public notice requirements (TEFRA).
- Recycled bonds do not generate 4% LIHTC.
- Volume cap cannot be recycled more than once.
- Recycled bonds can only be used for multifamily housing.

Example Bond Recycling Timeline



**These two windows of time must overlap for the Recycled Bonds to be issued.*

Eligible Projects

IHDA's Qualified Allocation Plan (QAP) is the Authority's plan for the allocation of housing tax credits and applies to all bond-financed projects including Recycled Bonds. All projects must submit a Preliminary Project Assessment 90 days prior to Full Application submission. Authority rules governing the bond programs are found in the Illinois Administrative Code, Title 47, Chapter II, Part 365.

Occupancy Requirements

Projects must meet the minimum occupancy requirements as provided in Section 146 of the Internal Revenue Code:

	Affordable	Market Rate / Middle Income
Option 1	20% of units at 50% AMI or less	80% of units at market rate or other income levels
Option 2	40% of units at 60% AMI or less	60% of units at market rate or other income levels

Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the IHDA Regulatory Agreement for the issuance of the conduit bonds). This includes the later of the federally required Qualified Project Period, repayment of the Bond funded loan, redemption of the Bonds, termination of Section 8 assistance, as applicable, or the full term of the IHDA Resolution requirements.

Affordability Period

The affordability period shall be either:

A. If the project has received LIHTC, the project will be subject to the 30-year affordability period required by Section 42(m), or
B. If the project is not subject to an Extended Use Agreement ("EUA") from another project source (e.g., LIHTC, HOME, etc.), a new 30-year EUA will be required.

Contact

For more information, please contact Multifamily Lending at 872-271-8152 or via e-mail at **multifamilylending@ihda.org**.