

**MAINE STATE HOUSING AUTHORITY**

**APPLICATION FOR  
TRANSFER INVOLVING A CHANGE IN LIMITED PARTNER(S) OR A LIHTC  
INVESTOR BUYOUT TRANSACTION**

For any of the following Transfers, follow the **Steps for Consent to Transfer by Limited Partner(s) or LIHTC Investor Buyout Transaction** below.

- (1) a Transfer by a limited partner with a 51% or more limited partner interest in the limited partnership Owner of a Project (or any lower percentage if required by HUD) to one or more non-Affiliates of that limited partner;
- (2) a Transfer by limited partners with an aggregate 51% or more of the limited partner interests in the limited partnership Owner of a Project (or any lower percentage if required by HUD) to one or more non-Affiliates of those limited partners; or
- (3) a LIHTC Investor Buyout Transaction.

**Definitions of capitalized terms used in this Application are included in Appendix A.**

**Steps for Consent to Transfer by Limited Partner(s) or LIHTC Investor Buyout Transaction**

For a Transfer by one or more limited partners to one or more non-Affiliates, as described above, or a LIHTC Investor Buyout Transaction, MaineHousing requires the following:

- (1) A letter from the limited partnership Owner of the MaineHousing Project signed by the general partner, or the limited liability company Owner of the MaineHousing LIHTC Project signed by the managing member, as applicable, requesting MaineHousing's consent to the Transfer. The letter must contain the information listed under **Contents of Letter** below.
- (2) A proposed form of assignment and assumption agreement describing the terms and conditions of the proposed Transfer (whether the Transfer involves a LIHTC Investor Buyout Transaction or a transfer by one or more limited partners to one or more non-Affiliates). MaineHousing must review the draft agreement prior to its execution, and a copy of the fully executed agreement must be provided to MaineHousing promptly upon the closing of the Transfer.

**Scan in the signed letter and the form of assignment and assumption agreement, then upload and submit them and any other supporting documents by clicking on the secure *Upload and Submit your Application* link at [www.mainehousing.org/ownershiptransfer](http://www.mainehousing.org/ownershiptransfer). **PLEASE NOTE:** Any documents submitted should refer to the item numbers to which they relate.**

Your \$500 Application fee must be received by MaineHousing for your Application to be considered complete. For information on how to submit your Application fee, please see Application and Processing Fees at [www.mainehousing.org/ownershiptransfer](http://www.mainehousing.org/ownershiptransfer).

If you have questions as you complete your Application, please e-mail your questions to MaineHousing's Ownership Transfer mailbox at [OwnershipTransfer@mainehousing.org](mailto:OwnershipTransfer@mainehousing.org)

MaineHousing may request additional information it considers necessary in reviewing the Application.

**Contents of Letter**

The letter referred to above must include the following information:

1. Name of Project
2. Physical address of Project (street and town/city)
3. MaineHousing Project number
4. Name of Project Owner
5. Principal contact person, including name, telephone number(s), and e-mail address
6. A statement whether the proposed Transfer is (i) a transfer by one or more limited partners of a limited partnership Owner of a Project to one or more non-Affiliates of those limited partners, or (ii) a LIHTC Investor Buyout Transaction.
7. **Transfer by limited partner(s) to non-Affiliate(s) not involving LIHTC Investor Buyout Transaction (for LIHTC Investor Buyout Transaction, see item 8 below):** For a transfer by one or more limited partners of 51% or more of the limited partner interests, either alone or in the aggregate, describe the current ownership structure of the Project and the proposed ownership structure of the Project after the Transfer, as follows:
  - a. **Current Ownership Structure**  
  
The name and Ownership Interest percentage of each general partner and each limited partner of the limited partnership.

- b. Proposed Ownership Structure after the Transfer
- The name and Ownership Interest percentage of each general partner and each limited partner after the Transfer.
8. **LIHTC Investor Buyout Transaction:** For a LIHTC Investor Buyout Transaction, a description of the current ownership structure of the Project and the proposed ownership structure of the Project after the Transfer, as follows:
- a. Current Ownership Structure
- (1) If the LIHTC Project is owned by a limited partnership, the name and Ownership Interest percentage of each general partner, each Investor Limited Partner, and any other limited partners of the limited partnership.
  - (2) If the LIHTC Project is owned by a limited liability company ("LLC"), the name and Ownership Interest percentage of each managing member, each Investor Member, and any other members of the LLC.
  - (3) The name of the Sponsor of the Project.
- b. Proposed Ownership Structure after the Transfer
- (1) If the LIHTC Project is owned by a limited partnership, the name and Ownership Interest percentage of each general partner and each limited partner after the Transfer, which must include the Project Sponsor or an Affiliate of the Sponsor.
  - (2) If the LIHTC Project is owned by a limited liability company ("LLC"), the name and Ownership Interest percentage of each managing member and each other member of the LLC after the Transfer, which must include the Project Sponsor or an Affiliate of the Sponsor.
9. A description of the financial terms of the Transfer (whether the Transfer involves a LIHTC Investor Buyout Transaction or a transfer by one or more limited partners to one or more non-Affiliates), including the source (including but not limited to any Project accounts), amount, duration and conditions of all proposed payments to the transferee and the party obligated to make those payments.

## APPENDIX A – DEFINITIONS

The following terms have the following meanings:

**"Additional Circumstances"** means any one or more of the following in connection with the Transfer of an Ownership Interest: a request for additional MaineHousing financing or for refinancing by MaineHousing of existing MaineHousing loan obligations; the existence of a HUD housing assistance payments contract for the Project; management issues; a Project that is troubled, on MaineHousing's watch list or in default; or increased risks to a Project as assessed by MaineHousing.

**"Affiliate"** means, with respect to any entity, another entity that it controls, is controlled by, or is under common control with.

**"Application"** means the form of application required or recommended by MaineHousing and any other information required or considered by MaineHousing in connection with the Transfer of an Ownership Interest in a Project.

**"Controlling Interest"** means an interest of fifty-one percent (51%) or greater, alone or in the aggregate.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Investor Limited Partner"** means a limited partner of a limited partnership Owner of a LIHTC Project that is required to make capital contributions in exchange for low-income housing tax credits allocated pursuant to Section 42 of the Internal Revenue Code of 1986, as amended ("Section 42").

**"Investor Member"** means a non-managing member of a limited liability company Owner of a LIHTC Project that is required to make capital contributions in exchange for low-income housing tax credits allocated pursuant to Section 42.

**"LIHTC Investor Buyout Transaction"** means a Transfer of the Ownership Interest of an Investor Limited Partner or an Investor Member in a LIHTC Project to the Sponsor of the LIHTC Project or an Affiliate of the Sponsor.

**"LIHTC Project"** means a Project to which MaineHousing has allocated low-income housing tax credits pursuant to Section 42.

**"MaineHousing"** means Maine State Housing Authority.

**"Owner"** means a person or entity having an Ownership Interest in a Project.

**"Ownership Interest"** means any of the following:

- (1) a fee simple interest in a Project;
- (2) a leasehold or sub-leasehold interest under a lease of a Project with a term not shorter than the term of the MaineHousing mortgage loan secured by the Project;
- (3) the general partner interest of a general partner of a limited partnership Owner of a Project;
- (4) the partner interest of a partner of a general partnership Owner of a Project;
- (5) the limited partner interest(s) of one or more limited partners holding 51 percent or greater of the limited partner interests in the aggregate in a limited partnership Owner of a Project, or any lower percentage that may be established by HUD;
- (6) an Investor Limited Partner interest in a LIHTC Project;
- (7) the member interest(s) of one or more members holding 51 percent or greater of the member interests in the aggregate in a limited liability company Owner of a Project, or any lower percentage that may be established by HUD;
- (8) an Investor Member interest in a LIHTC Project;
- (9) the interest of a shareholder in a for-profit corporation or of a voting member in a non-profit corporation holding a 51 percent or greater interest in a corporate Owner of a Project; or
- (10) any other Controlling Interest in an Owner.

**"Project"** means a multifamily or supportive housing project for which MaineHousing has provided financing and on which MaineHousing holds a mortgage loan secured by the multifamily or supportive housing project at the time of the request for MaineHousing consent to the Transfer.

**"Sponsor"** means the entity that exercises management control over the general partner of a limited partnership Owner of a LIHTC Project or the managing member of a limited liability company Owner of a LIHTC Project.

**"Transfer"** means a change, whether voluntary or involuntary, of all or part of an Ownership Interest in a Project regardless of the type or nature of the change or the means used to accomplish it, including but not limited to a sale, mortgage, lease (except residential tenant leases in the ordinary course of business of operating a Project as a residential rental project), sub-lease, assignment, bond or contract for deed, land installment contract, like-kind (1031) exchange, real estate investment trust, merger, consolidation, change of control, gift, grant, death, or operation of law.