HOME/HTF Affordable Housing Development Grant Administration Manual
Tools and Resources
Guidelines on Providing Acceptable Documentation
of Non-HOME/-HTF Funding Sources

HUD regulations require that HOME- and HTF-assisted projects maintain documentation of firm commitment of funds for all sources. Below are guidelines on providing Commerce acceptable documentation of firm commitment of non-HOME/-HTF funding.

All funding for HOME and HTF projects, including construction and permanent financing (if applicable), must be firmly committed and documented at project start-up.

Examples of acceptable documentation showing firm commitment of funding for HOME and HTF projects include:
• Letters of commitment of grant funds,
• Letters of interest from investors,
• Letters of interest from lenders,
• Statements from grantees or developers committing time and/or materials,
• Minutes of board meetings documenting commitment of funds,
• Letters detailing deferment of developer fees,
• Letters of intent from funders, and
• Term sheets.

For HOME and HTF projects also assisted with Low Income Housing Tax Credits, the following documentation is needed:
• The project’s reservation of credits from Montana Housing;
• A good faith offer of equity investment from a private investor.

Commerce assesses all documentation to ensure that commitments are, in fact, firm and that:
• The terms and amounts listed are consistent with project underwriting; and
• Sources are compatible with HOME and/or HTF program requirements (e.g., affordability restrictions, income targeting, unit mix).

For HOME and HTF projects that are phased, firm commitment is needed for the current phase of the project. If available, a schedule for future project work and anticipated funding to be committed should be recorded.