



**Texas Bond Review Board**

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**Texas Department of Housing and Community Affairs**

**Private Activity Bond Reservation & Housing Tax Credit Application Process**

**Frequently Asked Questions**

The Texas Bond Review Board (BRB) and the Texas Department of Housing and Community Affairs (TDHCA) have compiled a list of Frequently Asked Questions (FAQ) relating to the Private Activity Bond (PAB) Certificate of Reservation (Reservation) process and the Housing Tax Credit (HTC) application submission requirements for applications that participate in the PAB Lottery as well as applications that are submitted post-PAB Lottery.

While this FAQ is a courtesy document to help applicants navigate the requirements, it does not supersede the applicable rules or statutory requirements set forth by the BRB and TDHCA. Where there may be a conflict between this FAQ and the applicable rules and/or statutory requirements, the rules and statutory requirements shall take precedence. Applicants are encouraged to familiarize themselves with the applicable rules and statutory requirements that govern the PAB and HTC programs, seek guidance from their bond issuer/bond counsel, as well as their own counsel before proceeding.

This FAQ may be updated on occasion with additional questions received and applicants are encouraged to review the FAQ periodically for answers to any new questions that have been raised.

**Q1: What is the deadline to participate in the PAB Lottery?**

A1: The deadline to submit an Application for Allocation to the BRB to be considered in the PAB Lottery is October 20<sup>th</sup> of the preceding year. Applications for the PAB Lottery may be submitted as early as October 5<sup>th</sup> of the preceding year. The application acceptance period and deadlines can be found at <https://www.brb.texas.gov/2025-program-year/>. In order to submit an application to the BRB, a project must first receive an Inducement

Resolution that is adopted by the Issuer. Applicants should contact their Issuer regarding process and deadlines associated with the Inducement.

**Q2: If I participate in the PAB Lottery, when will I receive a PAB Reservation?**

A2: Assuming a project receives a favorable lottery number, the earliest BRB will begin issuing Reservations is January 2. Depending on the number of applications that participated in the Lottery and Reservations to be issued, it could take a little while for the Reservation to be issued and officially start the 180-day clock (residential rental) to close.

Regardless of issuer, whether or not a project receives a Reservation through the Lottery will depend on the project's Priority, pre-application score (if applicable to the issuer), and the bond ceiling set-aside for the region, issuer or sub-ceiling, as applicable.

**Q3: How does the Priority that I elected on the Residential Rental Attachment affect my line order?**

A3: Pursuant to Texas Government Code §1372.0321, Residential Rental applications that participated in the Lottery will be placed in line under their respective Sub-ceilings and/or Regions based first on Priority order, such that Priority 1 applications will be ranked above Priority 2 applications, which will be ranked above Priority 3 applications. **NOTE:** *For applications identified as Priority 1, there is no further prioritization among Priority 1a, Priority 1b and Priority 1c categories. All Priority 1 applications shall be treated equal despite their classification within Priority 1.*

Applications that are submitted post-Lottery will be placed in-line by order of receipt. Pursuant to Texas Government Code §1372.0231(j), all post-Lottery Residential Rental applications have a priority lower than that of every application submitted before that date and, therefore, the Priority elected on the Residential Rental Attachment does not have any influence on line order.

**Q4: If I am a Priority 1 or 2 Lottery application for which a Reservation will likely be issued in January, when do I submit my HTC application given that BRB requires that it be submitted before they'll issue the Reservation?**

A4: Once BRB is ready to start issuing Reservations in January, BRB will send an initial email for Priority 1 or 2 applications stating the application is next in line to receive a Reservation but, before it can be issued, BRB will need evidence that the HTC application was submitted to TDHCA. The applicant will then have 3 business days to submit the HTC application, including the application fee, and, if evidence of submission is not received

by the applicable deadline, the BRB will cancel the Application and the Allocation will move on to the next application in line. **NOTE:** *Evidence of submission of the HTC application can only come from TDHCA staff. The BRB will not accept confirmation of submission by any party other than TDHCA.* Once BRB receives such confirmation, the Reservation will be issued generally within 24-72 hours and the 180-day period will officially begin.

**Q5: If I am a Priority 3 Lottery application for which a Reservation will likely be issued in January, when do I submit my HTC application?**

**A5:** Once the BRB has issued the Reservation, the timing associated with when to submit the HTC application is up to the applicant based on when they want to receive the Determination Notice associated with the 4% Housing Tax Credits. All Lottery applicants will be required to submit the HTC application based on the most current version of the Multifamily Uniform Application for the upcoming program year posted on the TDHCA website.

**Q6: I am a Priority 1a application which requires 50% of my units to be at 30% of 50% AMFI and 50% of my units to be at 30% of 60% AMFI. I plan on applying to TDHCA for Multifamily Direct Loan Funds (MFDL). Will any units required under the MFDL program count towards meeting the requirements of the Priority designation?**

**A6:** Pursuant to §1372.0321 of the Texas Government Code, the requirement of the Priority designations reference the federal low-income housing tax credit program. Therefore, any units proposed exclusively under any other funding source could not be considered for purposes of meeting the requirements of the Priority designation. However, if a combination of funding sources includes at least the federal low-income housing tax credit program, then the units consisting of other program funding sources may be counted towards meeting the requirements of the Priority designation.

**Q7: When can I submit my HTC application to TDHCA if I did not participate in the PAB Lottery?**

**A7:** Pursuant to the Qualified Allocation Plan, the HTC application cannot be submitted to TDHCA until a Reservation has been issued. For those not participating in the Lottery, Reservations will be issued as volume cap becomes available. For Priority 1 and 2 applications, BRB will send out an email notifying the applicant and Issuer that their project is next in line for a reservation, and at that point the applicant will have 3 business days to submit the tax credit application to TDHCA in order to secure the bond

reservation. If the application is not submitted within 3 business days, the BRB will cancel the Application and move on to the next application in line. For Priority 3 applications, the tax credit application may be submitted at any point in time after the bond reservation has been issued.

**Q8: If I am a Priority 0 application and receiving a supplemental bond allocation, do I need to submit an HTC application to TDHCA within 3 business days?**

**A8:** TDHCA will not require submission of a new HTC application associated with the supplemental bond allocation. However, pursuant to §11.201(2)(A)(i) of the Qualified Allocation Plan the applicant will need to confirm that there have not been any changes to the Development from what TDHCA originally approved that would constitute an amendment under TDHCA rules. Upon confirmation that there have been no such changes, TDHCA staff will notify BRB accordingly so that the Reservation can be issued. If there have been changes that would constitute an amendment, the applicant will need to submit an amendment request to TDHCA that will need to be approved prior to closing on the supplemental bond allocation.

**Q9: Who do I contact if I have more questions?**

**A9:** For questions relating to the administration of the PAB program, how Reservations are issued, questions regarding the Priority designations, etc.:

Jamie Backiel, PAB Administrator  
[Brbpab@brb.texas.gov](mailto:Brbpab@brb.texas.gov)  
512-475-4800

For questions relating to the housing tax credit application process or process for TDHCA as bond Issuer, any of the following staff may be contacted:

Teresa Morales, Director of Multifamily Bonds  
[Teresa.morales@tdhca.texas.gov](mailto:Teresa.morales@tdhca.texas.gov)  
512-475-3344

Liz Cline-Rew, Multifamily Bond Program Specialist  
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