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Affordable Housing & Community Development UPDATE

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Applicable Federal Rates and Housing Tax Credit Applicable Percentages for October 2009

The US Treasury (Internal Revenue Service) issues a revenue ruling each month with interest rates. The current revenue ruling is Rev. Rul. 2009-33. Highlighted below are the various applicable federal rates and housing tax credit applicable percentages for October 2009 for your reference and use, as listed in this ruling. We hope you will find this a useful reference.

This revenue ruling provides various prescribed rates for federal income tax purposes for October 2009 (the current month). Table 1 contains the short-term, mid-term and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after August 30, 2008, and before December 31, 2013, shall not be less than 9 percent. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

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Rev. Rul. 2009-33 TABLE 1
Applicable Federal Rates (AFR) for October 2009

| Period for Compounding | | | | |
|------------------------|--------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term | | | | |
| AFR | .75% | .75% | .75% | .75% |
| 110% AFR | .83% | .83% | .83% | .83% |
| 120% AFR | .90% | .90% | .90% | .90% |
| 130% AFR | .98% | .98% | .98% | .98% |
| Mid-term | | | | |
| AFR | 2.66% | 2.64% | 2.63% | 2.63% |
| 110% AFR | 2.92% | 2.90% | 2.89% | 2.88% |
| 120% AFR | 3.20% | 3.17% | 3.16% | 3.15% |
| 130% AFR | 3.46% | 3.43% | 3.42% | 3.41% |
| 150% AFR | 4.00% | 3.96% | 3.94% | 3.93% |
| 175% AFR | 4.67% | 4.62% | 4.59% | 4.58% |
| Long-term | | | | |
| AFR | 4.10% | 4.06% | 4.04% | 4.03% |
| 110% AFR | 4.52% | 4.47% | 4.45% | 4.43% |
| 120% AFR | 4.93% | 4.87% | 4.84% | 4.82% |
| 130% AFR | 5.35% | 5.28% | 5.25% | 5.22% |

Rev. Rul. 2009-33 TABLE 2
Adjusted AFR for October 2009

| Period for Compounding | | | | |
|-------------------------|--------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term adjusted AFR | .82% | .82% | .82% | .82% |
| Mid-term adjusted AFR | 2.04% | 2.03% | 2.02% | 2.02% |
| Long-term adjusted AFR | 4.16% | 4.12% | 4.10% | 4.09% |

Rev. Rul. 2009-33 TABLE 3
Rates Under Section 382 for October 2009

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 4.16% |
| Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.) | 4.48% |

Rev. Rul. 2009-33 TABLE 4
Appropriate Percentages Under Section 42(b)(1) for October 2009

Note: Under Section 42(b)(2), the applicable percentage for nonfederally subsidized new buildings placed in service after August 30, 2008 and before December 31, 2013 shall not be less than 9 percent.

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 7.78% |
|--|-------|

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| | |
|--|-------|
| Appropriate percentage for the 30% present value low-income housing credit | 3.33% |
|--|-------|

Rev. Rul. 2009-33 TABLE 5
Rate Under Section 7520 for October 2009

| | |
|---|------|
| Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest | 3.2% |
|---|------|

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