To Whom It May Concern:

**Internal Revenue Code Section 115 Status**

Pursuant to the Federal Housing Administration’s (FHA) *Single Family Housing Policy Handbook* 4000.1 (“SF Handbook”), the U.S. Department of Housing and Urban Development (HUD) deems entities that have I.R.C. Section 115 status to be “instrumentalities of government” for the purpose of providing secondary housing financing under single family FHA programs. Entities providing proof of Section 115 status need not meet the “instrumentality of government” test otherwise required and need not be included on HUD’s Nonprofit Organization Roster in order to operate a secondary financing program. HUD permits proof of Section 115 status to be demonstrated by a written statement from the organization’s General Counsel.

Please consider this notice that Kentucky Housing Corporation (KHC) does, in fact, qualify as an “instrumentality of government” under Section 115 of the I.R.C. for purposes of providing secondary financing for single family loans.

**Commitment Letter**

The SF Handbook set forth the documentation mortgagees must provide to demonstrate eligibility for FHA mortgage insurance of loans when a State government directly provides the borrower’s Minimum Required Investment and provided guidance for extensions of secondary financing.

Pursuant to the requirements of the SF Handbook, this letter documents that KHC’s Commitment Letter creates a legally enforceable obligation for KHC to provide the loan funds towards the borrower’s Minimum Required Investment. The KHC Commitment Letter meets all of the requirements for acceptable documentation as set forth in the SF Handbook and evidences that a legally enforceable obligation was incurred at or before closing.

Sincerely,

Jeremy Ratliff
General Counsel