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Georgia MRB Program Comprehensive Analysis: 2024-2025

Georgia's Mortgage Revenue Bond program represents a sophisticated financing mechanism that has undergone significant expansion in 2024-2025, with **new program tiers, increased income limits, and streamlined processes** that directly impact developments like Serenity Village Albany. The program maintains an **AAA credit rating** and serves approximately 600-1,000 families annually through \$100-250 million in annual tax-exempt bond issuances.

Current Program Structure Through DCA and Georgia Dream

The **Georgia Department of Community Affairs (DCA)** administers the statewide bond **allocation system**, with \$1,397,609,750 in private activity bond authority for 2025 (\$130 per capita). The Georgia Housing and Finance Authority (GHFA) serves as the primary issuing entity, with authority to issue up to \$250 million annually in tax-exempt mortgage revenue bonds through its **\$3 billion total bond capacity**.

The program experienced major expansion in 2024 with the **April 15, 2024 launch of the Peach Plus Program**, eliminating first-time homebuyer restrictions and significantly increasing income and purchase price limits. The current program structure includes four distinct tiers:

Standard Georgia Dream Program targets first-time homebuyers with maximum home prices up to \$550,000 and income limits of \$130,290 (1-2 persons) or \$149,833 (3+ persons). **Peach Plus Program** extends to both first-time and repeat buyers with higher limits up to \$650,000 and income caps of \$195,435 (1-2 persons) or \$224,750 (3+ persons). The **Peach Select VA Program** serves veterans with similar \$550,000 limits and fixed 5.00% interest rates, while **Peach Advantage** accommodates borrowers up to 150% of Area Median Income with \$650,000 purchase limits.

MRB-Funded Development Requirements and Albany Considerations

MRB-funded housing developments must meet specific federal income targeting requirements: either 20% of units for families earning $\leq 50\%$ of Area Median Income, or 40% of units for families earning $\leq 60\%$ of AMI. These **long-term affordability restrictions apply throughout the bond term**, typically 30+ years. Projects automatically qualify for **4% Low Income Housing Tax Credits** as companion financing.

For Albany developments specifically, the city serves as the local issuing authority and has established the **Georgia Initiative for Community Housing (GICH) Team**, which can provide letters of support worth additional points in DCA applications. Albany's Planning & Development Services (229-438-3901) administers development ordinances for both city limits and unincorporated Dougherty County areas.

Developer requirements include securing local issuing authority approval, conducting required public hearings, obtaining local government approval, and demonstrating financial capacity to create cost-effective mortgages for the target population. Projects must comply with Georgia Building Code, environmental reviews, and fair housing requirements while maintaining compliance throughout the bond term.

Interest Rates, Income Limits, and Qualification Requirements

Current interest rates reflect below-market financing advantages, with the Peach Select VA program offering fixed 5.00% rates compared to conventional mortgages averaging 6.77% in Georgia. Interest rates for other programs are market-determined but consistently below conventional rates due to tax-exempt bond financing.

Buyer qualification requires multiple criteria: minimum credit scores of 640, completion of HUD-approved homebuyer education, and liquid assets limited to \$20,000 or 20% of sales price (whichever is greater). Debt-to-income requirements follow **automated underwriting guidelines with maximum 28% housing expense ratio and 36% total debt ratio** for manual underwriting.

Down payment assistance varies by program tier: **standard programs offer 5% of purchase price or \$10,000 maximum**, while enhanced programs for public protectors, educators, nurses (PEN) and disability families (CHOICE) provide up to \$12,500. All assistance is structured as **0% interest, deferred payment loans due at sale, refinance, or vacation**.

Bond Mechanics: Tax-Exempt Status and Structure

Georgia's MRB bonds operate as **revenue bonds secured by mortgage loan repayments and prepayments**, with interest income exempt from federal, state, and local taxes. The **legal framework operates through Georgia Code Title 50, Chapter 26**, establishing GHFA as a body corporate performing essential governmental functions.

Bond structure includes sophisticated trustee arrangements where all proceeds are deemed trust funds held by trustees for bondholders. The Authority pledges mortgage loan revenues and earnings to trustees for bond payment security. Recent issuances include the **May 2025 offering of \$251.9 million** (\$234 million tax-exempt Series C, \$17.9 million taxable Series D).

The program maintains **compliance with IRC Section 143** for single-family MRBs, including geographic distribution requirements where one-third of proceeds must finance units in metropolitan areas and one-third outside metropolitan areas. **Volume cap allocation** is tracked through annual reports with anti-corruption certification requirements.

Construction-to-Permanent Financing Transitions

Single-close construction-to-permanent loans streamline the financing process with one application and closing. During construction, borrowers make **interest-only payments on disbursed amounts** while funds are released through inspection-based draw schedules typically spanning 12-18 months.

The process involves pre-construction meetings establishing draw schedules, periodic builder requests for completed work phases, lender-ordered inspections, and **automatic conversion to permanent mortgages upon completion**. Borrowers benefit from single closing costs and **rate locks protecting against increases during construction**.

Builder requirements include licensing, insurance, contract approval, and financial stability verification. The lender reviews construction contracts and builders must demonstrate experience with similar projects. Final property inspections ensure completion standards before permanent conversion.

Recent Program Changes Affecting Developments

The 2024-2025 expansion significantly broadens program accessibility. The Peach Plus launch represents a "significant evolution" in GHFA's commitment to inclusive homeownership, eliminating first-time buyer restrictions and substantially increasing income and purchase price thresholds.

Federal regulatory updates include IRS Revenue Procedure 2024-21, updating MRB and Mortgage Credit Certificate purchase price limits with new methodology calculating limits by

dividing FHA single-family loan limits by 0.878. The **national average purchase price is set at \$510,100 for 2024**, impacting housing cost/income ratio calculations.

Enhanced down payment assistance options have been introduced for specific professions, and **current program information effective July 1, 2025** reflects updated income limits and purchase price thresholds across all program tiers.

Deal Structure Accuracy and Program Mechanics

Georgia's MRB mechanics operate through a secondary market structure where DCA acts as secondary market purchaser of loans from participating lenders. This differs from some traditional MRB structures where bonds finance loans directly at origination.

Loan insurance requirements are comprehensive, with substantially all loans insured by FHA, VA, USDA-RD, or conventional mortgage insurance. This **conservative credit enhancement supports the AAA rating** and provides security for bondholders while enabling competitive rates for borrowers.

The program demonstrates **strong financial metrics** with asset-to-liability parity over 120% (exceeding S&P medians), \$265.4 million net position, and consistent bond redemption performance. **Average processing time of 60 days** from application to closing provides predictable timelines for development planning.

Albany and Dougherty County Specific Factors

Albany's status as a HUD Entitlement City (population 50,000+) provides additional federal housing resources and coordination opportunities. The city operates **180+ rental housing program units** and has demonstrated support for affordable housing through recent Rural Workforce Housing Initiative projects.

Local approval processes flow through Albany Planning & Development Services (240 Pine Avenue, Suite 300) with electronic permit submission systems and regular Planning Commission meetings. **GICH point opportunities require strategic timing**, with applications for 9% Federal Credits due May 2025 and 4% Federal Credits due October 2025.

Geographic considerations include **floodplain management compliance** due to Albany's location, coordination with DARTS (Dougherty Area Regional Transportation Study), and adherence to local zoning ordinances. **Six-month inspection requirements** ensure permits remain valid throughout development phases.

Timeline and Approval Processes

Bond allocation applications require comprehensive documentation including local issuing authority approval, public hearing affidavits, governmental unit approval, and legal opinions addressing issuer authorization. The **Georgia Allocation System processes applications year-round** with specific procedures ensuring consistent availability.

Development timeline typically spans 18-24 months from initial application through project completion and lease-up. Key phases include bond allocation approval (3-6 months), construction financing closing (3-6 months), construction period (12-18 months), and lease-up/stabilization (6-12 months).

Critical path dependencies include early coordination with local issuing authorities, GICH point strategy development, financing commitment letters, and environmental/regulatory approval completion. **Fee structures vary by project size** but include bond allocation fees, legal fees, and professional service costs requiring direct coordination with DCA's Bond Allocation Program.

Success Rates and Typical Project Characteristics

Georgia's MRB program demonstrates exceptional performance with AAA ratings placing it in the **top 18% of state MRB programs nationally**. FY 2023 performance included \$110,817,654 in first mortgages to 584 households with \$5,652,500 in down payment assistance distributed.

Typical single-family projects feature average loan sizes of \$190,000-\$250,000 serving families at 80-115% of Area Median Income. **Multifamily projects typically range 200-400 units** with development costs of \$27-45 million using combined tax-exempt bonds, LIHTC, and conventional financing.

Performance metrics show strong credit quality with 94% of loans carrying FHA, VA, or USDA insurance, average FICO scores of 715, and conservative \$4.5 million loss allowance maintenance. **Market impact extends statewide** serving all 159 counties with particularly strong representation in metro Atlanta and growing activity in suburban markets.

Conclusion

Georgia's MRB program provides a robust, financially sound framework for affordable housing development with significant expansion in 2024-2025 creating new opportunities for projects like Serenity Village Albany. The combination of federal tax benefits, state administration, competitive interest rates, and comprehensive support services creates an attractive financing environment for developers and meaningful homeownership opportunities for qualified families. **Albany's local advantages through GICH points and established affordable housing support position MRB developments favorably within the broader Georgia housing finance landscape.**

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Note: This analysis is based on program information current as of July 2025. Program terms, income limits, and purchase price thresholds are subject to periodic updates. Prospective developers and borrowers should verify current program details directly with the Georgia Department of Community Affairs and Georgia Housing and Finance Authority.