EXHIBIT 3
DATE 1/29/07
HB 302

Montana Board of Housing

Revolving Loan Account

The 1999 Legislature found that current economic conditions, federal housing policies and declining resources at the federal, state and local levels adversely affect the ability of low-income and moderate-income persons to obtain safe, decent and affordable housing. Because of this, the Revolving Loan Account was established.

This account is used to provide loans to projects providing affordable housing in Montana. These projects typically need that last small piece of financing to make them feasible.

The Montana Board of Housing received a $1.5 million grant from the Federal Home Loan Bank of Seattle through its Affordable Housing Program. This grant was specifically earmarked for the Montana Preservation Project. In order to maximize other funding sources, the grant was loaned by the MBOH to each project as 50-year deferred mortgages. If a project generates additional income, the loans may begin to pay back the money. But, if sufficient income is not generated, the loans will not be paid for 50 years. The MBOH has placed these mortgages in the Revolving Loan Account. But, as previously stated, these loans may or may not begin to be repaid for 50 years. The following is a list of these loans:

Project	Location	Amount
1. Columbia Villa	Columbia Falls	$ 316,800
2. Darlinton Manor	Bozeman	$ 55,000
3. LaVatta Villa (Pebblestone Square)	Deer Lodge	$ 60,000
4. Parkside Village	Missoula	$ 10,400
5. Valley View	Kalispell	$ 551,200
6. Big Sky Apts.	Kalispell	$ 202,368
7. Green Meadow Apts.	Libby	$ 234,600
8. Parkside Apartments	Hamilton	$ 69,632
		$1,500,000
Funded through TANF		
9. TANF Loans (61 loans, down payment/closing)	Various	$ 693,767
Funded through RLA funds		
10. Gold Dust	Missoula	$ 143,000
11. Ronan Main Street	Ronan	$ 65,000
12. Franklin School	Great Falls	$ 300,000
		$ 508,000
		$2,306,458

The 2001 Legislature added three other funding sources to the Revolving Loan Account. Two sources are $500,000 from the Section 8 reserve account and approximately $3.4 million from the Temporary Assistance to Needy Families Grant (TANF). These two funding sources are transfers from existing programs. The third source is from direct donations that would qualify for a tax credit. These sources began July 1, 2001. The TANF funds were reduced to $700,000 by the 2002 special legislative session, which met in August of 2002.