Internal Revenue Service

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Department of the Treasury

199942049

Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:
CC:DOM:FI&P:5-PLR-107847-98

Date:
JUL 23 1999

Legend

Authority =

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Dear

This replies to your ruling request on behalf of the Authority concerning the use of average area purchase price limitations based upon more accurate and comprehensive data than that used to calculate the safe harbor limitations published in Rev. Proc. 94-55, 1994-2 C.B. 716. The Authority submitted data concerning sales of new single-family residences for certain metropolitan statistical areas and for all other

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areas for the 12-month period from January 1, 1998 to December 31, 1998. The Authority also submitted data concerning sales of existing single-family residences for certain metropolitan statistical areas and a county for the same period. The data submitted conforms with the definitions for the nation's metropolitan areas established in Office of Management and Budget Bulletin 98-06, dated June 23, 1998, and effective June 30, 1998.

Based on the information submitted and representations made, we conclude that the calculations submitted by the Authority, in the cases of new and existing single-family residences, are based upon more accurate and comprehensive data than that used for calculating the limitations published in Rev. Proc. 94-55, and may be used by the Authority as provided by §6a.103A-2(f)(5)(i) of the Temporary Income Tax Regulations.

Accordingly, the following are the new safe harbor limitations for single-family residences justified by the documentation received:

Statistical Area	New Construction	Existing Housing
A	$156,332	$128,325
B	194,228	101,089
C	207,517	199,512
D	----------	127,439
E	----------	93,891
F	----------	95,466
G	145,140	104,163
H	178,386	101,639
I	155,265	----------

The figures approved above may be relied upon for a period of not more than 30 months following the termination date of the 12-month period used by the Authority to compute the average area purchase price limitation for purposes of issuing mortgage credit certificates under § 25 and qualified mortgage bonds under § 143 of the Internal Revenue Code ("Code").

Except as specifically ruled above, no opinion is expressed concerning the effect of this transaction under any section of the Code, including § 143.

This ruling is addressed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to the taxpayer.

Sincerely yours,

Assistant Chief Counsel
(Financial Institutions & Products)

By: Tim Jones /RAH
Timothy L. Jones
Assistant to the Chief
Branch 5

Enclosure (1)

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