

KUTAK ROCK LLP

SUITE 500
1010 GRAND BOULEVARD
KANSAS CITY, MO 64106-2220

816-960-0090
FACSIMILE 816-960-0041

www.kutakrock.com

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May 15, 2013

Mr. Greg Norton
President
National Homebuyers Fund, Inc.
1215 K Street, Suite 1650
Sacramento, California 95814

Re: U.S. Department of Housing and Urban Development
Mortgagee Letter 2012-24
Secondary Financing Eligibility
IRC Section 115 Status

Dear Mr. Norton:

We are Bond and Tax Counsel to National Homebuyers Fund, Inc. (“NHF”). In that capacity we routinely address matters regarding the tax status of NHF, and have been asked to address the Section 115 provisions of the above-referenced Mortgagee Letter issued by the Department of Housing and Urban Development (“HUD”) on November 21, 2012 (the “Mortgagee Letter”) with respect to NHF.

Pursuant to the terms of the Mortgagee Letter, HUD has determined that entities qualifying under Section 115 of the Internal Revenue Code of 1986, as amended (the “Code”), should be treated as instrumentalities of government for purposes of HUD’s single family secondary financing program.

Section 115(1) of the Code provides, in part, that income derived from the exercise of any essential governmental function and accruing to a State or any political subdivision thereof, or of the District of Columbia, shall not be included in gross income for federal income tax purposes. Section 115(2) of the Code provides that income inuring to the government of any possession of the United States, or any political subdivision thereof, shall not be included in gross income for federal income tax purposes. Section 115 has been the subject of interpretation in Internal Revenue Service rulings and regulations.

Based upon the enabling legislation of NHF, NHF’s organization documents, and its operations, we advise you that the income of NHF is excluded from federal income taxation pursuant to the provisions of Section 115 of the Code and the rulings and regulations thereunder.

Very truly yours,



Kutak Rock LLP