



UNDERWRITING THE DEAL

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Loan Application

- Complete thorough analysis to eliminate concerns/variables



Loan Approval

- Collect due diligence - many items can be received post approval (appraisal, sub debt docs, etc.)
- Issue Loan Commitment



120-Day Rate Lock

- Continue to collect due diligence



LIHTC Partnership Close

- Collect outstanding fees
- Forward commitment commences



30-Month Forward

- Track progress
- Inform lender of changes



Perm Conversion

OPERATING EXPENSE ANALYSIS

RMCRC Portfolio – 180 Affordable Properties

Expenses Per Unit (Units)	RMCRC Median (2023 FYE)	RMCRC Median (2023 FYE)	Borrower	RMCRC Concluded	RMCRC Underwritten
	UT	Portfolio		Uninflated	Inflated: 4.0%
Real Estate Taxes	\$590	\$514	\$475	\$475	\$494
Property Insurance	\$325	\$398	\$400	\$400	\$416
Utilities	\$840	\$865	\$1,250	\$1,250	\$1,300
Repairs & Maintenance	\$1,085	\$921	\$800	\$1,000	\$1,040
Property Management	\$560	\$588	\$400	\$400	\$416
Payroll	\$1,415	\$1,351	\$1,200	\$1,380	\$1,435
Advertising	\$25	\$25	\$100	\$25	\$26
Administrative	\$580	\$548	\$400	\$580	\$603
Replacement Reserves	\$300	\$300	\$300	\$300	\$300
TOTALS (Per Unit)	\$5,720	\$5,508	\$5,325	\$5,810	\$6,030

- Understand variances from the standard operating expenses (real estate tax exemption, paying all tenant utilities, etc.)
- Release underwriting process

OTHER UNDERWRITING CONSIDERATIONS

RMCR

- Other income – provide detailed breakdown if assuming over \$350 per unit per year
- Understanding market rents – underwrite minimum of 10% below market rents
- Inflating rents - will consider doing this on a case-by-case basis
- Increase loan – can increase the loan at conversion if minimum DCR and LTV are achieved

