

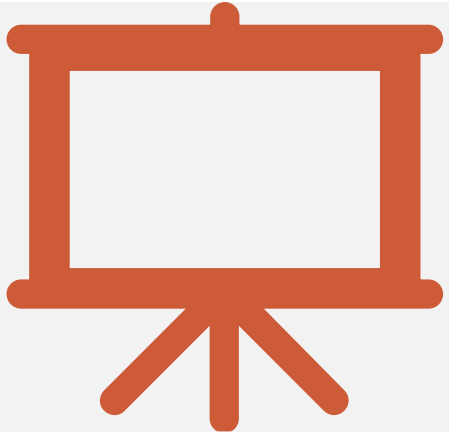


Rural Rental Housing Preservation Academy

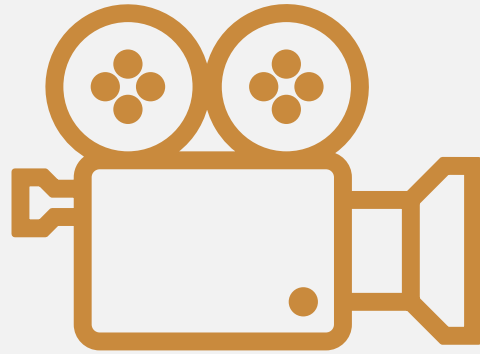
July 30, 2025



Housekeeping



All registered attendees will receive the slides via email



This session is being recorded. You will also receive a copy and it will be posted on the Enterprise website



We will answer questions throughout the presentation. Please submit them using the Q&A, chat or raise hand function



The link to register for upcoming sessions will be shared at the end of the presentation



USDA RD PAT

Preliminary Assessment Tool

Stages of USDA Transfer Application Process

There are four stages to the approval process to know

Stage 0 – Prepare

Unofficial, critical stage

- Concept call with USDA
- Request MFIS Reports
- Order appraisal; have reviewed by USDA
- Order C.N.A.'s; have As-Is C.N.A. reviewed
- Review 504 Plan; review and ensure current
- Plan SOW; start plans and specs
- Cost Estimate; involve GC

Stage 1 – Processing

Initial Application Submission

All items to 7-B-1 submitted via CloudVault simultaneously.

Review will not begin until all items have been received.

Additionally, approved items are needed before Stage 2 – UW

- Appraisal
- C.N.A (As-Is and Post)

Must submit SOW, Plans, Specs, AIA Contracts (drafts), & mgmt. documents for review.

Stage 2 - Underwriting

Underwriting review of Preliminary Assessment Tool (PAT)

Final review of the following:

- Operating expenses
- Rent levels
- Reserve requirements
- Tenant Protection Account
- Insurance
- Cost estimate
- Third party financing terms
- Third party loan documents
- Total Development Costs
- Narratives
- Letter of Conditions

Stage 3 – Closing/OGC

Closer will be assigned and work with OGC to close.

Closer will prepare closing package for OGC review.

OGC will review:

- Organizational documents
- Third party loan documents
- Intercreditor Agreements
- Subordination Agreements
- Attorney Opinions

Upon approval OGC will issue the Closing Instruction and provide Agency Loan documents to close.

Production & Preservation Division - Underwriting Division

The role of the underwriting division is to collect and analyze data to determine the financial feasibility of transactions in accordance with 7 CFR 3560.

Underwriters research and analyze data provided by the applicants to determine accuracy and validate the funding stack for each transaction. This will ensure consistent, reliable, and feasible outcomes in which to preserve affordable housing assets in rural development's MFH portfolio.

Underwriting Reviewer Considerations

FINAL REVIEW OF THE FOLLOWING:

- **OPERATING EXPENSES**
- **RENT LEVELS**
- **RESERVE REQUIREMENTS**
- **TENANT PROTECTION ACCOUNT**
- **INSURANCE**
- **COST ESTIMATE**
- **THIRD PARTY FINANCING TERMS**
- **THIRD PARTY LOAN DOCUMENTS**
- **TOTAL DEVELOPMENT COSTS**
- **NARRATIVES**
- **LETTER OF CONDITIONS**

Preliminary Assessment Tool

Template can be found on the USDA RD website:

<https://www.rd.usda.gov/programs-services/multifamily-housing-programs/multifamily-housing-direct-loans#to-apply>

PAT (v8.4.1) released 9/25/2024 as posted contains updates that align the Preliminary Assessment Tool (PAT) with the 2024 LIHTC and HUD FMR Rents, 2025 Management fee, 2023 State Average Actual Cost Analysis for comparison.

Preliminary Assessment Tool - Spreadsheet Tabs

- 1. About this Template**
- 2. Instructions**
- 3. General Info**
- 4. Appraisal Info**
- 5. Cash Analysis**
- 6. Sources & Uses**
- 7. Reserve Sizing**
- 8. Rents & Operations**
- 9. Dashboard Report**
- 10. Documentation**
- 11. Executive Summary**
- 12. Trending 15 years**
- 13. Agency Features**

1. About this Template

Provides links to further RD information and definitions

Information and Background
Preliminary Transfer Assessment Tool
(Double Click Document Below to Read)

A. Guiding Principles

Agency underwriters will use the currently available underwriting analysis and guides available at the RD intranet (SharePoint) <https://mfhdemoteam.sc.gov.usda.gov/ProgTracking/default.aspx> to document their MFH transfer and MPR decisions. Applicants and borrowers may access these forms through the appropriate RD public websites (<http://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans> or <http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants>).

The key parties to the transfer include the Seller, the Purchaser, the Agency (on behalf of the tenants and as mortgagor), and any third-party funders (other lenders, tax credit agencies, syndicators/investors, etc.). The different parties may have competing or conflicting requirements, needs, and/or objectives and goals that must be recognized and addressed early in the transfer process. RD is not responsible for reconciling conflicts between buyers, seller or any other interested third parties. RD may, within its policy constraints and to protect the interest of the Government and the tenants, offer alternatives for conflict resolution.

An initial or preliminary conceptual meeting with the RD loan servicer, Seller, and Purchaser should be arranged as early in the process as possible to evaluate the potential suitability of the proposed transfer and formulate a mutually acceptable schedule for RD's internal program analysis. This meeting can also identify potential problems or issues early in the process that will need to be addressed before completing the transfer application.

When initiating the conceptual discussion, RD should recommend to applicants the use of RD's optional Preliminary Assessment Tool (PAT) or a suitable preliminary assessment tool alternative offered by other parties, as a starting point to explore the feasibility of the transaction. Using the PAT encourages all interested parties to contact the RD servicing office as early as possible to discuss program requirements and conditions. The PAT contains general instructions, basic underwriting thresholds and pertinent tips for RD customers and staff to assist in preparing and evaluating proposals. The tool incorporates the detailed instructions found in the applicable RD Handbooks, CFR, and other applicable Agency and Departmental regulations. Additional instructions and suggestions are available internally for Agency underwriters through the Agency SharePoint by drilling down to their specific needs.

The RD website (<http://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans>) includes the PAT along with many of the other tools and additional program information.

Using the information provided by the applicant, Loan Servicers should assess whether the transfer request is consistent with the following guiding principles:

1. There is a continuing need for the property in the community. This should be considered in lieu of prepayment of any existing RD direct loan MFH properties.
2. When the transaction is complete, the property will be in the hands of eligible owners.
3. The transaction will address the immediate and long-term physical needs, including accessibility issues identified in a Transition Plan as well as any other fair housing requirements, and other needs of the property.

Version History - What's New to Version 8.4
(Double Click Document Below to Read)

Version 8.4 – Release Date 4/11/2024 TRC
Updated upload of MFIS FIN reports so no deletion of columns is required. FIN1700,, 1200, 2000 should be downloaded from MFIS in accordance with embedded instruction on instruction page.
LIHTC-Updated LIHTC rents based on HUD income limits released 4/1/2024
HUD FMRs-Updated HUD FMRs to reflect 2024 approved FMRs.
Management Fees-Fees will be updated to reflect 2025 increases once released by RD.

Version 8.3.1 – Release Date 10/2/2023 TRC
Management Fee – Updated Management Fee Data to reflect 2024 fee schedule. Rents and Operations Cell Y48 will display 2024 Management Fee not including Add-On
Version 8.3 – Release Date 6/6/2023 TRC
AppraisalInfo – Updated appraisal guidance in accordance with the new appraisal guidance issued April 2023.
Instruction - Updated upgrade feature on upgrade from 8.1 or later to 8.3
LIHTC – Updated LIHTC rents based on HUD April 2023 data release.
Management Fee – Updated Management Fee data to reflect PN 553 fee schedule. Rent and Operations Cell Y48 will display the 2023 Management Fees not including Add On.
Fair Market Rent Data – Updated FMR data to reflect April 2023 HUD updates
Rents and Operations - Updated the State Average Operating Expense comparable based upon 2022 Actual Year End Reports submitted through 5/1/23. Will update 2023 Actual Year End Reports in June 2024
Updated DashData Cell F44 to read Agency Subordination Cap-SV less Assumed RD Loans. Subordination Capped not to exceed RD Security Value based on appraisal and favorable financing.
Version 8.2.1 – Release Date 6/13/2022
Corrected Dash Data Cell R304 to calculate the new 538 Guarantee Fee at .0006 as outlined in the 7CFR3565 Guarantee Fee Changes for 515 transfers.
Version 8.2 - Release Date 05/10/2022 - TRC
LIHTC – Updated LIHTC rents based on HUD April 2022 data release.
Management Fee – Updated Management Fee data to reflect PN 553 fee schedule. Rent and Operations Cell Y48 will display the 2022 Management Fees not including Add On.
Fair Market Rent Data – Updated FMR data to reflect April 2022 HUD updates
Rents and Operations - Updated the State Average Operating Expense comparable based upon 2020 Actual Year End Reports submitted through 5/1/22. Will update 2021 Actual Year End Reports in June 2022.
Global Change – Updated Guarantee Fee Calculation for Initial Guarantee Fee and Annual Guarantee Fee per updated 7CFR3565 effective 4/4/2022.
Dash Data – Corrected formula for calculation of 538 required O&M minimum deposit with 538/515 transfer.

Version 8.1 Release Date 05/05/2021 - MR
Fair Market Rent Data – Updated FMR data to reflect April 2021 HUD updates.

< >

About This Template

Instructions

General Info

Appraisal Info

Cash Analysis

Sources & Uses

Reserve Sizing

Rents & Operations

DashBoard Report

Documentat

2. Instructions

Preliminary Transfer Assessment Template (PAT)

This Spreadsheet is a tool to assist our Partners and Agency Officials to determine the possible scenarios for structuring a transfer. It does not replace policy, regulation or good judgment. Some situations could result in a miscalculation or unanticipated result. Careful analysis of the results is necessary. Submission of this tool to the agency is not required and does not constitute approval.

MACROS MUST BE ENABLED TO USE THIS SPREADSHEET

(If Macros are not enabled buttons below will not work, close and reopen spreadsheet; at prompt click allow macros).

1 MFIS reports can be obtained from your local RD Servicing Official. With proper authorization from the owner (see below for more information).

2 There are 3 MFIS reports that can be uploaded into the PAT. (Excel Format Only!)

MFIS FIN 1700 (Budget History) [Click below Instructions for Pulling MFIS Reports](#)
MFIS FIN 1200 (Balance Sheet)
MFIS FIN 2000 (Reserve Status)



About Release of MFIS/AMAS information

Buyer and Seller mutually and voluntarily agree to, and have delivered to RD acceptable evidence allowing RD to release all RD MFIS/AMAS information needed to complete the respective fields in this Assessment tool for the purposes deemed necessary to allow review of the application for assistance I/we may have pending or are submitting for potential RD action.

NOTE: This spreadsheet can be used without these reports for independent analysis. However, RD will use MFIS /AMAS Reports in the final underwriting.

Upgrade to 8.4 from Prior
Version 8.1 to 8.3.1

Upgrade PAT from 8.1 or greater to 8.4

THIS PROCESS TAKES ABOUT 4-5 MINUTES - Patience is required!

(Requires you to Re-Upload MFIS and CNA Reports with buttons on this page. Must also complete the AppraisalInfo page)

3 These Buttons will Load Your MFIS Reports

Save Location:

[Upload](#) MFIS FIN 1700 (Budget History)

[Upload](#) MFIS FIN 1200 (Balance Sheet)

[Upload](#) MFIS FIN 2000 (Reserve Status)

4 Upload your CNA here and see results on the ReserveSizing Sheet.

A CNA in excel format is required for this feature. If the proposal includes funds for repair of the property, upload a "Post Rehab CNA".

Your Annual Deposit to Reserve must be entered in cell G34 of ReserveSizing Sheet.

[Upload](#) This Button will Load Your CNA Report

5 Sheet tabs and cells that are shaded yellow require entries.

Complete General Info, Cash Analysis, Sources & Uses, Rents & Operations, Reserve Sizing, and Documentation on Executive Summary.

Look for drop down boxes on the General Info for LIHTC and HUD FMRs and make your selections.

6 View results on the "Dashboard Report"

Spreadsheet must be saved as Macro-Enabled (*.xlsm)

7 Project Consolidations Details and buttons to add more reports can be found here:

[Click to Add Consolidated
Property Information](#)

Consult with Agency Staff Regarding Eligibility and to Obtain Additional Information for Consolidation of Properties.

8 Please use the "Save" icons located on the input pages to properly save your template



2. Instructions

Please ensure that you have a Release Letter signed by the Seller and Buyer.

With proper authorization from the ownership, the reports can be provided.

The Release Letter language can be found on the Instructions tab of the PAT

About Release of MFIS/AMAS informaton

Buyer and Seller mutually and voluntarily agree to, and have delivered to RD acceptable evidence allowing RD to release all RD MFIS/AMAS information needed to complete the respective fields in this Assessment tool for the purposes deemed necessary to allow review of the application for assistance I/we may have pending or are submitting for potential RD action.

There are 3 MFIS reports that can be uploaded into the PAT (Excel format only)

- | | | |
|----|---------------|-------------------------|
| 1. | MFIS FIN 1200 | BALANCE SHEET (EXCEL) |
| 2. | MFIS FIN 1700 | BUDGET HISTORY (EXCEL) |
| 3. | MFIS FIN 2000 | RESERVE BALANCE (EXCEL) |

MFIS will be uploaded to the PAT (Preliminary Assessment Tool) to provide you the information that was reported from the management company and should reflect the information that USDA is using to evaluate the project.

Other Information & MFIS Reports to request

MFIS Reports


- PRJS 4200 Occupancy Trend Report last 3 years (PDF)
- M1BI Rental Assistance Obligations (PDF)
- FIN 2100 Reserve Account Checkbook (PDF)
- FND 1000 Project Findings (aka: compliance report) (Excel)
- M1XI Current balance of loan (PDF)
- PRJ 2000 Current month reporting rent roll (PDF)

Management Information

- Current Balance Sheet
- Current Approved 3560-7 Operating Budget
- 30/60/90 Aging Report

3. General Info

- Input project information in yellow cells
- Gray cells are auto-populated from info on other tabs


United States Department of Agriculture
Rural Development

Print to a PDF File

Property Address:
Property State: State
Property Town:
Current Ownership Entity:
Portfolio Name If Applicable:

PROPERTY NAME
Applicant (Legal Name):
Address:
Principal(s):
Contact Person:
Telephone Number:
Identity of interests Buyer & Seller: ☐ Check if Yes to 101 for Buyer & Seller

Current Case Number:
Project Type: Not Persistent Poverty County
Email Address:
Cell Number:
Management Agent:

Non-Profit (Check Box) ☐ TRUE
Click to Add Consolidated Property Information

00000, AMI Selected HUD Medium Income Not Eligible for Nat'l Non-Metro Rural AMI, Select No No

Select The State and County / Town from List to Display LIHTC Limits	State County Town		If Tax Credits Used w/Transfer, Enter Type:		Enter Maturity Date of Last RD Loan Closed	
HUD CBSA (Core Based Statistical Area) for AMI - Typically County			Enter Date the Restricted Use Provisions (RUP) Have or Will Expire. Any active Rent Restrictions apply including Litigation Settlements. Verify Settlement Date. If No restrictions you can leave blank			
Property County			(MFH) 4. "Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i):		\$0.00	
Compliance Status (A, B, C) Per MFIS			Prospective Market Value Subject to Restricted Rents + Value of Favorable Financing		\$0.00	
Date Placed In Service or Year Built			Date of Appraisal		1/0/1900	
Prospective Market Value Subject To Restricted Rents	\$0		Value of Favorable Financing & RD Interest Credit		\$0	
Existing Reserve Balance	\$0	Bal As of Date:	1/0/1900	Effective Date of Current Approved Rents		
RD Required Reserve Balance				Enter Units By Type:	# Units	Current Rent
Number Non Revenue Units				Studio		Current Utility
Est. Beginning General Fund	\$0	Bal As of Date:	1/0/1900	1 BR		
Date Agency Accepted Capital Needs Assessment			2 BR			
CNA Prepared As Improved? <input type="checkbox"/> Yes <input type="checkbox"/> No			3 BR			
Original Borrower ROI			4 BR			
Initial Investment Per Loan Agreement			RA Units to Be Transferred			
Date RD of Loan Balances:		Sum RD Ln Balance	\$0.00	Number Project Based Section 8 Vouchers		
Unpaid RD Loans (Enter Loan Numbers as Identified in AMAS)	Defer Loan MPR Program Yes or No	Original Monthly Payment (Subsidized Amt)	Original Amt:	Balance:	Unpaid RD Loans (Enter Ln Numbers)	Defer Loan (MPR Applicant) Yes or No
						Original Monthly Payment (Subsidized Amt)
						Original Amt:
						Balance:

AboutThisTemplate Instructions GeneralInfo AppraisalInfo CashAnalysis Sources & Uses Reserve Sizing Rents & Operations Dashboard Report Documentation Executive

3. General Info

- Project Example

19 : X ✓ fx =IF(AND(G19="MFH) #2, Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752 (b)(1)(i);",AppraisalInfo!L14>0),AppraisalInfo!L14,IF(G19="MFH) #2, M

sharepoint.com/sites/MountainTribalNationsandRuralTeamSite/Shared Documents/Rural Tribal/Rural TA/TA - z De MS-RICHLAND APTS - 750933439-01-2 PATv8.2.1.xlsm

Agriculture

Print to a PDF File

Property Address: 615 Industrial Drive

Property State: MS MISSISSIPPI

Property Town: Richland

Current Ownership Entity: SOUTH MS FAMILY LP

Portfolio Name If Applicable:

Richland APTS

Richland Gardens, LP

1437 Old Square Road, Suite 201

Jackson, MS 39211

Kathleen F. Laborde, President

Kendra Home

504-525-2505 X223

Current Case Number: 750933439 Project Number: 01-2

Project Type: Family Not Persistent Poverty County

Email Address: home@gchp.net

Cell Number: -

Management Agent: Delta Property Management

Interests Buyer & Seller:

☒ Check if Yes to IOI for Buyer & Seller

Non-Profit (Check Box) ☐ FALSE

Click to Add Consolidated Property Information

AMI Selected \$76,000

Not Eligible for Nat'l Non-Metro Rural AMI, Select No: No

County / Town from List to Display LIHTC Limits: MISSISSIPPI Rankin County Rankin County

If Tax Credits Used w/Transfer, Enter Type: 9%

Enter Maturity Date of Last RD Loan Closed: 11/12/2043

Statistical Area for AMI - Typically County: MS -Rankin County, Jackson, MS HUD Metro FMR Area

Enter Date the Restricted Use Provisions (RUP) Have or Will Expire. Any active Rent Restrictions apply including Litigation Settlements. Verify Settlement Date. If No restrictions you can leave blank: 11/12/2043

Property County: Rankin

MFH) #2, Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752 (b)(1)(i): \$1,650,000.00

Prospective Market Value Subject to Restricted Rents + Value of Favorable Financing: \$3,450,000.00

Prospective Market Value Subject To Restricted Rents: \$3,200,000

Value of Favorable Financing & RD Interest Credit: \$250,000

Existing Reserve Balance: \$98,480

Bal As of Date: 7/31/2022

Date Current Approved Rents: 1/1/2022

Instructions GeneralInfo AppraisalInfo CashAnalysis Sources & Uses Reserve Sizing Rents & Operations Dashboard Report Documentation

3. General Info

- Vacancy

Est. Beginning General Fund		\$0	Bal As of Date:		1/0/1900	1 BR				
Date Agency Accepted Capital Needs Assessment						2 BR				
CNA Prepared As Improved? <input type="checkbox"/> Yes <input type="checkbox"/> No						3 BR				
Original Borrower ROI						4 BR				
Initial Investment Per Loan Agreement						RA Units to Be Transferred				
Date RD of Loan Balances:		Sum RD Ln Balance	\$0.00		Number Project Based Section 8 Vouchers					
Unpaid RD Loans (Enter Loan Numbers as Identified in AMAS)	Defer Loan MPR Program Yes or No	Original Monthly Payment (Subsidized Amt)	Original Amt:	Balance:	Unpaid RD Loans (Enter Ln Numbers)	Defer Loan (MPR Applicant) Yes or No	Original Monthly Payment (Subsidized Amt)	Original Amt:	Balance:	
1										
2										
3										
4										
5										
Lenders Required Reserve Deposit Unit/Year			Click to Add Details for Agency Loans			Lender's Required Operating Vacancy & Bad Debt		538 Annual Fee Yr 1		\$0.00
HFA's Required Reserve Deposit Unit/Year						HFA's Required Operating Vacancy & Bad Debt				
Lenders Required O & M Per Unit						HFA's Required O & M Per Unit				
						Lenders Required DSCR				
Expected Date of Transfer						Acquisition Price Per Sources & Uses		\$0.00		
			Acquisition Price Consolidated Property Details		\$0.00					

Details of Sales and Purchase Agreement	
Total agreed upon purchase price per the sales / purchase agreement:	\$0.00
Does this amount include assumption of the RD Debt(s) & Other Assumed Loans <small>(For Example Sales Contract reads: \$1,000,000 less Assumed Debt, check "Yes", or Sales Contract reads \$100,000 plus assumption of debt, check "No".)</small>	Yes
Subtotal	\$0.00
Disclose Project Account Balance(s) to be retained by the Seller	
Reserve Account	Amount: \$0.00
General Fund	Amount: \$0.00
Tax and Insurance Escrow	Amount: \$0.00
Are Amounts Included in the Total Agreed Sales Price Above?	No
Total Cash Payments to the Seller	\$0.00

Discuss Specifics of the Transaction	

3. General Info

- Vacancy – project example

CNA Prepared As Improved?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			3 BR				
Original Borrower ROI		\$763.00			4 BR				
Initial Investment Per Loan Agreement		\$9,537.50			RA Units to Be Transferred		34		
Date RD of Loan Balances:	7/28/2022	Sum RD Ln Balance	\$1,032,647.97		Number Project Based Section 8 Vouchers		20		
Unpaid RD Loans (Enter Loan Numbers as Identified in AMAS)	Defer Loan MPR Program Yes or No	Original Monthly Payment (Subsidized Amt)	Original Amt:	Balance:	Unpaid RD Loans (Enter Ln Numbers)	Defer Loan (MPR Applicant) Yes or No	Original Monthly Payment (Subsidized Amt)	Original Amt:	Balance:
1	No	\$678.75	\$318,317.51	\$259,634.40					
2	No	\$2,011.92	\$948,425.63	\$773,013.57					
3									
4									
5									
Lenders Required Reserve Deposit Unit/Year					Lender's Required Operating Vacancy & Bad Debt		5.00%	538 Annual Fee Yr 1	\$5,307.00
HFA's Required Reserve Deposit Unit/Year		\$300.00			HFA's Required Operating Vacancy & Bad Debt		7.00%		
Lenders Required O & M Per Unit					HFA's Required O & M Per Unit				
					Lenders Required DSCR				
Expected Date of Transfer		9/9/2022			Acquisition Price Per Sources & Uses		\$1,600,000.03		
					Acquisition Price Consolidated Property Details		\$0.00		

Click to Add Details for Agency Loans

Details of Sales and Purchase Agreement		
Total agreed upon purchase price per the sales / purchase agreement:		\$1,600,000.00
Does this amount include assumption of the RD Debt(s) & Other Assumed Loans <small>(For Example Sales Contract reads: \$1,000,000 less Assumed Debt, check "Yes", or Sales Contract reads \$100,000 plus assumption of debt, check "No".)</small>		Yes
Subtotal		\$567,352.03
Disclose Project Account Balance(s) to be retained by the Seller		
Reserve Account	Amount:	\$0.00
General Fund	Amount:	\$0.00
Tax and Insurance Escrow	Amount:	\$0.00
Are Amounts Included in the Total Agreed Sales Price Above?		No
Total Cash Payments to the Seller		\$567,352.03

Discuss Specifics of the Transaction
Per Purchase and Sales Agreement, South Mississippi Family, LP (Richland Apartments) is transferring to Richland Gardens, LP (Richland Gardens) for \$1,600,000 less outstanding debt. The property name will be changing from Richland Apartments to Richland Gardens at closing.

3. General Info

- Details of Purchase and Sale Agreement
- If the seller is planning on retaining any cash accounts this may impact the sizing of the new Annual Deposit to the Replacement Reserve Account, Rent Schedules and the Tenant Protection Account as applicable. Initial deposits may be needed to meet Regulatory Requirements.

Details of Sales and Purchase Agreement	
Total agreed upon purchase price per the sales / purchase agreement:	\$1,600,000.00
Does this amount include assumption of the RD Debt(s) & Other Assumed Loans <small>(For Example Sales Contract reads: \$1,000,000 less Assumed Debt, check "Yes", or Sales Contract reads \$100,000 plus assumption of debt, check "No".)</small>	Yes ▼
Subtotal	\$567,352.03
Disclose Project Account Balance(s) to be retained by the Seller	
Reserve Account	Amount: \$0.00
General Fund	Amount: \$0.00
Tax and Insurance Escrow	Amount: \$0.00
Are Amounts Included in the Total Agreed Sales Price Above?	No ▼
Total Cash Payments to the Seller	\$567,352.03

Acquisition Price Consolidated Property Details	\$0.00
Discuss Specifics of the Transaction	
Per Purchase and Sales Agreement, South Mississippi Family, LP (Richland Apartments) is transferring to Richland Gardens, LP (Richland Gardens) for \$1,600,000 less outstanding debt. The property name will be changing from Richland Apartments to Richland Gardens at closing.	

3. General Info

- **Details of Purchase and Sale Agreement**

- **Assignment of Rents**
 - Tenant Portion will be the only part that a Financial Institution could be granted interest in in the event a borrower defaults on a loan. Rental Assistance will not be allowed.
- **Assignment of Accounts**
 - Security Deposit Accounts are not eligible for assignment.
 - RR and GOA – Regulatory Waivers will have to be submitted for review and approval before allowance can be given allowing the borrower to pledge housing project funds for collateral.
- **Notes Payables and Other Payables must be resolved at or prior to closing.**
- **Assumptions of Non-Agency Loans – Will need LOI, CC, Rates, Subordinations and Terms for Assessment.**
- **Ground Leases must be reviewed by OGC early in the transfer review process to allow for any adjustments and/or amendments necessary to meet Agency Regulatory Requirements.**

4. Appraisal Info

- Info pulled from appraisal
- Note Litigation Settlement Cases link

This page has been updated in version 7. Entries made below will affect results throughout the PAT and are required for accurate results.

THIS PAGE IS NOT NEEDED WHEN CONSOLIDATION DETAIL PAGE COMPLETED

Does the Seller have a Litigation Settlement pending or has RUCs been filed for a previous Litigation Settlement? No

[USDA Staff SharePoint Lookup for Litigation Settlement Cases](#)

Date of Appraisal Report Date Appraisal Accepted by the Agency

ADDENDUM (MFH) VALUES CONCLUDED IN THE APPRAISAL REPORT	VALUE	EFFECTIVE DATE
(MFH) #1, Prospective Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752 (b)(1)(i):	<input type="text"/>	<input type="text"/>
(MFH) #2, Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752 (b)(1)(i):	<input type="text"/>	<input type="text"/>
(MFH) #3, Market Value, within 7 CFR Part 3560.752 (b)(1)(ii):	<input type="text"/>	<input type="text"/>
(MFH) #4, Market Value, within 7 CFR Part 3560.752 (b)(1)(ii), Premised Upon a Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i):	<input type="text"/>	<input type="text"/>

ADDITIONAL INFORMATION FROM THE APPRAISAL REPORT		
Insurable Value:	<input type="text"/>	<input type="text"/>
Prospective Remaining Economic Life (Enter Years such as "50", "40", "30" etc)	<input type="text"/>	<input type="text"/>
Favorable Financing (Enter those Used in the Security Only Value)		
Favorable Financing Existing 515 Int. Credit Subsidy	<input type="text"/>	<input type="text"/>
Favorable Financing of New Section 538 Loan	<input type="text"/>	<input type="text"/>
Favorable Financing of New Section 515 Subsequent Loan Int. Credit Subsidy	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Land Value	<input type="text"/>	<input type="text"/>

CRCU "As Prospective Appraisal" Net of Utilities		
These entries required for Rents & Operations Page		
OBR	<input type="text"/>	<input type="text"/>
1BR	<input type="text"/>	<input type="text"/>
2BR	<input type="text"/>	<input type="text"/>

RD Appraisal Requirements for This Transaction - Multifamily Housing Appraisal Assignment Guidance Section 515 Transfer and Rehab (Version Apr 2023)

Used to Evaluate Sellers Equity

(MFH) #4, "Market Value within 7 CFR Part 3560.752(b)(1)(i), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part

4.) "Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i)". (In order to use this value, the property must qualify for prepayment incentives offers as set forth within the Code of Federal Regulations. Valuation under this hypothetical as if Unsubsidized Conventional Housing is to follow 7CFR 3560.656 or 7CFR 3560.659 (whichever is appropriate), conducted in compliance with 7CFR 3560, Subpart P. Valuation under the hypothetical should consider the subject in its physical condition as of the date of valuation. The hypothetical condition applies to any remaining RHS restrictions on the property. Any restrictions that may have been placed on the property by other entities should be considered)

(MFH) #1, Prospective Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752 (b)(1)(i):

Used to Evaluate RD Security Value

1.) "Prospective Market Value, Subject To Restricted Rents within 7 CFR Part 3560.752(b)(1)(i)". (The appraiser must consider all restrictions and report the value of intangible assets individually and separately from the real estate. "Prospective Value", as defined by 7CFR 3560, Subpart P, means the forecasted value of the housing and related facilities as of a specified future date. For Agency appraisals, this date will typically be the projected completion date of proposed new construction or rehabilitation.) A request for "market value, subject to restricted rents" means the appraisal will take into consideration any rent limits, rent subsidies, expense abatements, or restrictive-use conditions that will affect the property as a result of an agreement with the Agency or any other financing source. Each type of financing involved, including, but not limited to, interest credit subsidy, low-interest rate loans from other sources, tax-exempt bond financing, tax credits, and grants, must be valued individually and separately in the appraisal.

The income approach for Value #1 should be based on the proposed budget upon completion of the rehabilitation and at stabilization for the "prospective" valuation analysis. The budget must be included within the appraisal report.

- auto-filled from MFIS reports entered on Instructions tab

Reserve Status Per MFIS		
As of Date		1/0/1900
Amount Behind	\$	-
Required Bal		-
Actual Bal	\$	-
Fully Funded Amount	\$	-
Fully Funded (Y / N)		(
WOP (Y / N)		

Projected Account Balances		
RESERVE ACCOUNT BALANCE		
Reserve Account Balance	\$0.00	
(+) Inc (-) Dec To Date	\$0.00	
(+) Excess Funds from GOA and/or T&I	\$0.00	
Reserve Balance W/ Cash Adjustments	\$0.00	
(-) Funds Used Rehab	\$0.00	* From Sources & Uses
(-) Funds Used for Seller's Equity	\$0.00	* From General Info
(+) Funds Deposited [IDRR]	\$0.00	* From Sources & Uses
Projected Reserve Balance	\$0.00	

Based upon the last reported year end, Accounts Payable was: \$0
<i>Enter Below Your Comments Regarding the status of Accounts Payable, Notes Payable & Other</i>
Payables less than 30 Days

Based upon the last reported year end, Accounts Receivable was: \$0
Enter Below Your Comments Regarding the status of Accounts Receivable:

5. Cash Analysis

- Before RD approval, account balances in the GOA, T&I, and replacement reserve must be less than 45 days old.
- **Underfunded accounts**
 - The transfer/transaction may need an initial upfront deposit (IDRR) to the reserve, T & I and GOA.
 - If excess funds exist, those will be allocated between accounts that may not be adequately funded.
- **Accounts/notes payables and other payables must be resolved at or before closing – Sources and uses must balance.**

6. Sources & Uses

- Enter funding sources at top of sheet
- Loan amounts and terms
- Other financing source information
- Note Sources & Uses must balance

Funding Sources																											
0																											
Agency Loans Assumed (As Completed on "General Information")	Amount	See General Information Tab and Loan Detail Section by Using Link below for Agency Loan Details				Annual Debt Service	Desired Lien Position																				
Assume Existing RD 515 Loan(s) (MPR Applicant - Loans Will Be Deferred)	\$0.00	Click to Add and View Details for Agency Loans				\$0.00	1																				
Assume Existing RD 515 Loan(s) (No Deferral)	\$0.00					\$0.00	1																				
Source of New Funding		Check If Non-Amortizing	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service	Desired Lien Position																				
RD 538 Loan - Specify Lender:		Choose 538 Option 1, 2 or 3				\$0.00	2																				
New Section 515 RRH Loan			1%	30	50	\$0.00	3																				
Specify Lender:		<input type="checkbox"/>					4																				
Specify Lender:		<input type="checkbox"/>					5																				
Specify Lender:		<input type="checkbox"/>					6																				
Assumed Existing Non-Agency Loans		<input type="checkbox"/>					7																				
Reserve Funds Used for Rehab		Estimated pricing on Federal Tax Credits:																									
Project funds used for Sellers Equity	\$0.00	Interim Lender - Enter Name:																									
Equity: Federal 9% LIHTC		Amount	Rate	Term	Lien Position																						
Equity: Federal 4% LIHTC					1																						
Equity: Historic Tax Credits		<table border="1"><thead><tr><th colspan="2">Projected Account Balances</th></tr><tr><th colspan="2">RESERVE ACCOUNT BALANCE</th></tr></thead><tbody><tr><td>Reserve Account Balance</td><td>\$0.00</td></tr><tr><td>(+) Inc (-) Dec To Date</td><td>\$0.00</td></tr><tr><td>(+) Excess Funds from GOA and/or T&I</td><td>\$0.00</td></tr><tr><td>Reserve Balance W/ Cash Adjustments</td><td>\$0.00</td></tr><tr><td>(-) Funds Used Rehab</td><td>\$0.00</td></tr><tr><td>(-) Funds Used for Seller's Equity</td><td>\$0.00</td></tr><tr><td>(+) Funds Deposited (IDRR)</td><td>\$0.00</td></tr><tr><td>Projected Reserve Balance</td><td>\$0.00</td></tr></tbody></table>						Projected Account Balances		RESERVE ACCOUNT BALANCE		Reserve Account Balance	\$0.00	(+) Inc (-) Dec To Date	\$0.00	(+) Excess Funds from GOA and/or T&I	\$0.00	Reserve Balance W/ Cash Adjustments	\$0.00	(-) Funds Used Rehab	\$0.00	(-) Funds Used for Seller's Equity	\$0.00	(+) Funds Deposited (IDRR)	\$0.00	Projected Reserve Balance	\$0.00
Projected Account Balances																											
RESERVE ACCOUNT BALANCE																											
Reserve Account Balance	\$0.00																										
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Reserve Balance W/ Cash Adjustments	\$0.00																										
(-) Funds Used Rehab	\$0.00																										
(-) Funds Used for Seller's Equity	\$0.00																										
(+) Funds Deposited (IDRR)	\$0.00																										
Projected Reserve Balance	\$0.00																										
Equity: State Tax Credits																											
Deferred Developer Fees																											
Owner Contribution																											
Type Here to Specify Other Non-Loan Funds																											
Type Here to Specify Other Non-Loan Funds																											
Type Here to Specify Other Non-Loan Funds																											
Type Here to Specify Other Non-Loan Funds																											
Total Sources:	\$0.00																										

Funding Sources

Development Cost and Acquisition

Sources & Uses in Balance

0

AboutThisTemplate Instructions GeneralInfo AppraisalInfo CashAnalysis Sources & Uses Reserve Sizing Rents & Operations

cessibility: Investigate

6. Sources & Uses

- Enter project Uses next
- Group Items – note RD categories
 - Development Cost Element
 - Hard Costs
 - General Contractor costs
 - Financing & Interim Costs
 - Soft Cost & Other Expenses
 - Entity and Syndication
 - Acquisition Price

Development Cost and Acquisition					
Development Cost Element		Comment			
Hard Costs					
1. On site improvements					
2. Rehabilitation	\$5,842,711.00				
3. Accessory Buildings					
SUBTOTAL (Items 1. to 3.)	\$5,842,711.00				
Contractor Fees		HFA Fees Allowed - Enter Dollar Amts	7CFR 3560.53(l) Fee % Hard Cost	7CFR 3560.53(l) converted to Dollars	Max Fee Allowed (Lessor HFA or RD)
4. General Requirements 5.9% of Hard Cost	\$343,300.00	\$343,300	7%	\$408,990	\$343,300
5. General Overhead 2.0% of Hard Cost	\$114,433.00	\$114,433	4%	\$233,708	\$114,433
6. Other Fees Pd by Contractor 4.4% of Hard Cost	\$258,262.00				
7. Builders Profit 5.9% of Hard Cost	\$343,300.00	\$343,300	10%	\$584,271	\$343,300
SUBTOTAL (Items 4. to 7.)	\$1,059,295.00				
Professional Fees					
8. Engineer	\$19,400.00				
9. Architectural Fees	\$124,700.00				
10. Survey	\$16,400.00				
11. Appraisals	\$14,550.00				
12. Market Study	\$2,150.00				
13. Environmental Reports and Testing	\$10,900.00				
14. CNA Report	\$6,200.00				
15. Enter Comment (Right of Number)	\$37,100.00				
SUBTOTAL (Items 8. to 15.)	\$231,400.00				
Financing & Interim Cost					
16. Interest - Construction	\$130,979.00				
17. Loan Origination / Commit Fees	\$35,450.00				
18. Bond Cost of Issuance					
19. Construction Monitoring Fees	\$25,500.00				
20. Bridge Loan Interest Carry	\$197,248.00	Bridge Loan Interest Carry			
21. Bridge Loan Commitment Fee	\$62,500.00	Bridge Loan Commitment Fee			
22. Bridge Loan Due Diligence Fee	\$15,000.00	Bridge Loan Due Diligence Fee			
SUBTOTAL (Items 17. to 22.)	\$466,677.00				
Soft Cost & Other Expenses					
Legal Counsel - Real Estate					
23. (Closing Docs and Title Work)	\$47,500.00	Perm Loan and Bridge Loan Legal			
24. External Legal Counsel	\$55,000.00				
25. Entity Organization & Legal	\$73,000.00				
26. Title Insur & Recording Fees	\$40,443.00				
27. Syndication Fees / Commissions	\$263,920.00	Application Fee, Reservation Fee, and Commitment Fee			
28. Tax Opinion & Entity Accounting	\$30,000.00				
29. Other Tax Credit Fees					
30. Soft Cost Contingency	\$50,000.00				
31. Hard Cost Contingency	\$206,960.00	total is 345,000 with 2% contributed to the 538 const. contingency below			
32. Lease Up, Marketing	\$37,160.00				

6. Sources & Uses

- Enter project Uses next
- Group Items – note RD categories
 - Development Cost Element
 - Hard Costs
 - General Contractor costs
 - Financing & Interim Costs
 - Soft Cost & Other Expenses
 - Entity and Syndication
 - Acquisition Price

31. Hard Cost Contingency	\$206,960.00	total is 345,000 with 2% contributed to the 538 const. contingency below				
32. Lease Up, Marketing	\$37,160.00					
33. Initial Loan Guarantee Fee \$11,464.	\$11,464.00					
34. Operating Deficit Reserve	\$20,154.00					
35. Permits	\$5,000.00	Permits				
36. FF&E	\$55,000.00	FF&E				
37. Other (comment)						
38. Plan and Cost Review	\$1,000.00	Plan and Cost Review				
39. Other (comment)						
39. USDA Annual Gua Fee	\$5,307.00	USDA Annual Gua Fee				
40. Initial Up Front Reserve Deposit (IDRR)	\$0.00	Use Reserve Sizing Page - Cell G35 for Entry				
41. Initial Up Front Deposit to T&I	\$32,355.00	\$0 Up Front Deposit needed to meet T&I Shortfall				
42. Initial Up Front Deposit to GOA	\$34,874.00	\$0.00 Up Front Deposit needed to meet 20% in GOA at Closing				
43. Tenant Rent Increase Protection	\$0.00	\$0 Up Front Deposit for 2 Year Tenant Protection Funded at Closing				
44. Tenant Relocation	\$38,000.00					
SUBTOTAL (Items 23. to 44.)	\$1,007,137.00					
TOTAL ELIGIBLE COST (RD 515 Program)	\$8,607,220.00					
Entity and Syndication		HFA/Fed Developer Fees Allowed - Enter Dollar Amts	7CFR 3560.63(2) 15% TDC & 8% Acquisition	7CFR 3560.63(2) Converted to Dollars	Max Fee Allowed	Deferred Developer Fee as % of Total Developer Fee
45. Developer Fee 9.50%	\$953,801.00	\$953,801	15% plus 8%	\$1,548,296	\$953,801	0.00%
46. Consultant Fee	\$25,000.00	Consultant Fee				
47. Capitalized Asset Management Fee	\$60,750.00	Capitalized Asset Management Fee				
48. Opportunity Zone Interest	\$42,000.00	Opportunity Zone Interest				
47. Lease Up Reserve in lieu of 90/90 (538 Program)	\$239,131.00	Lease Up Reserve (2% of > Appraised Value or TDC) \$235,666.				
47. O&M Reserve (538 Program)						
48. Construction Contingency Reserve (538 program)	\$138,040.00	Construction Contingency (Minimum) \$138,040.				
49. Opportunity Zone Cost	\$50,000.00	Opportunity Zone Cost				
50. Davis Bacon/Section 3 Monitoring	\$60,000.00	Davis Bacon/Section 3 Monitoring				
51. Security Cameras	\$15,000.00	Security Cameras				
52. Predevelopment Financing	\$15,000.00	Predevelopment Financing				
53. Admin & Accounting	\$37,500.00	Admin & Accounting				
54. Construction Management	\$179,000.00	Construction Management				
Entity and Syndication	\$1,815,222.00					
Acquisition Price (Building & Land)						
55. Real Estate Loans Being Assumed	\$1,032,648.00	(equals source "Assume Existing RD Loan & Non-Agency Loans if Applicable")				
56. All Payments to the Seller	\$567,352.03	From Details of Sales and Purchase Agreement - GeneralInfo Page				
SUBTOTAL Acquisition Price (Items 55. to 56.)	\$1,600,000.03					
Total All Uses Above	\$12,022,442.00					

7. Reserve Sizing

- Uses information from post-rehab CNA

# Units Per CNA		# Units (Including Non-Revenue Units) Per General Information																			
54		48																			
See Instruction page to upload your CNA's Executive Summary																					
CNA Raw Data as Uploaded from CNA(s) Executive Summary Pages																					
CNA Inspection Date: 1/22/2022																					

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
Site	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$3,120	\$32,710	\$1,500	\$0	\$0	\$23,650	\$0	\$0	\$1,500	\$0	\$16,620	\$83,600
Architecture	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,760	\$0	\$23,100	\$0	\$0	\$0	\$0	\$0	\$59,200	\$125,160
Mech & Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,420	\$0	\$0	\$0	\$0	\$99,012	\$217,432
Dwelling Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,590	\$0	\$0	\$108,260	\$0	\$45,448	\$0	\$4,590	\$50,310	\$0	\$0	\$0	\$0	\$451,310	\$664,508
Uninflated Totals	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$27,690	\$0	\$1,500	\$111,380	\$32,710	\$66,708	\$0	\$27,690	\$192,380	\$0	\$0	\$1,500	\$0	\$626,142	\$1,090,700
Inflation Factor (3%)	1	1	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	\$0	\$0	\$0	\$1,591	\$0	\$0	\$1,739	\$33,063	\$0	\$1,900	\$145,326	\$43,959	\$92,339	\$0	\$40,664	\$290,992	\$0	\$0	\$2,479	\$0	\$1,097,944	\$1,751,997

Underwritten Schedule - Changes Made by Und bac

CLICK TO EDIT CNA PAGES

CLICK TO CLOSE CNA PAGES

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Site	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$9,678	\$11,298	\$8,178	\$9,678	\$3,300	\$3,300	\$13,750	\$3,300	\$0	\$1,500	\$3,248	\$3,248	\$73,478
Architecture	\$0	\$0	\$0	\$0	\$0	\$0	\$11,550	\$11,550	\$0	\$0	\$3,952	\$3,952	\$3,952	\$15,852	\$15,852	\$0	\$0	\$0	\$4,920	\$4,920	\$4,920	\$81,420
Mech & Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,014	\$18,014	\$18,014	\$18,014	\$18,014	\$9,697	\$9,697	\$9,697	\$119,161
Dwelling Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,590	\$20,100	\$20,100	\$36,950	\$29,190	\$29,190	\$17,634	\$22,284	\$15,894	\$8,604	\$8,604	\$48,655	\$48,655	\$56,415	\$366,925
Uninflated Totals	\$0	\$0	\$0	\$1,500	\$0	\$0	\$13,050	\$16,140	\$20,100	\$29,778	\$52,200	\$41,320	\$42,820	\$54,860	\$47,658	\$29,318	\$26,618	\$64,772	\$66,520	\$74,280	\$640,994	
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	\$0	\$0	\$0	\$1,591	\$0	\$0	\$15,129	\$19,272	\$24,720	\$37,722	\$68,109	\$55,531	\$59,273	\$78,217	\$87,304	\$72,087	\$46,611	\$42,714	\$107,058	\$113,246	\$130,250	\$958,635

Projected Account Balances

Reserve Account Balance	\$98,452.00
(+) Inc (-) Dec To Date	\$27.98
(+) Excess Funds from GCM and/or T&I	\$0.00
Reserve Balance W/ Cash Adjustments	\$98,479.98
(-) Funds Used Rehab	\$0.00
(-) Funds Used for Seller's Equity	\$0.00
(+) Funds Deposited (IDRR)	\$0.00
Projected Reserve Balance	\$98,479.98

Gap Required for Insurance Deductible

Conclusions Regarding Reserve Funding Levels

Estimated Beginning Reserve Balance	\$98,480	\$2,052	/ unit / year
Current Annual Deposit:	\$12,603	\$263	/ unit / year
New Annual RAR Deposit (ADRR) After CNA:	\$30,500	\$635	/ unit / year
Initial Upfront Deposit (IDRR) at Closing:		\$0	/ unit

The IDRR you enter above will automatically populate on Sources & Uses (Item 46)

Source & Uses Balance

Minimum Requirement Met

IDRR entry will appear on the Sources & Uses Page

Reserve Fully Funded Level \$958,835

CLICK TO SAVE CNA PAGES FOR MFIS

Lenders Required Reserve Unit/Year	\$0	/ unit / year
HFA's Required Reserve Unit/Year	\$300	/ unit / year
Minimum Required Deposit :	\$300	/ unit / year
Minimum Annual Deposit:	\$14,400	

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Average Yrs 1-20
Reserve	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Beginning balance	98480	98480	123965	162680	195073	230352	266984	289683	309929	325820	329993	304697	293058	278785	246475	206003	181853	184580	192658	137374	76815	\$222,072
Plus annual deposit	0	30500	31415	32357	33328	34328	35358	36419	37512	38637	39796	40990	42220	43487	44732	46136	47520	48946	50414	51926	53484	\$40,378
Minus needs (inflated)	0	0	0	-1591	0	0	-15129	-19272	-24720	-37722	-68109	-55531	-59273	-78217	-87304	-72087	-46611	-42714	-107058	-113246	-130250	-\$47,942
Plus interest		985	1300	1627	1951	2304	2670	2899	3099	3258	3017	2902	2760	2440	2040	1801	1819	1846	1360	761	0	\$2,042
Ending balance	98480	123965	162680	195073	230352	266984	289683	309929	325820	329993	304697	293058	278785	246475	206003	181853	184580	192658	137374	76815	49	\$217,150

Ending balance per unit (in future dollars)	2708	3389	4064	4799	5562	6039	6457	6788	6875	6348	6105	5808	5135	4292	3789	3845	4014	2862	1600	1	4524
Low Balance?																					

3.00% Trending for Reserve Deposits

Do Not Change Trending of 3% without adding Justification on Documentation Page

1.00% Interest earned on beginning balance

\$1 (Per Unit) Ending Balance Must be Positive Ending Balance All Years and Include GAP Account

7. Reserve Sizing

- As needed, the UW can adjust each component of the CNA to ensure the project is adequately funded to meet the 20-year capital needs while staying within third-party lenders' PUPM prerequisite.
- A CNA over a year old at the time of the RD CNA review must be updated before RD approval.
- The transfer/transaction must address the immediate and long-term physical needs, including accessibility issues identified in a Transition Plan, as well as any other fair housing requirements and property needs. (RD may issue a waiver based on project needs.)

8. Rents & Operations

RENTS

- Underwriter will pull info from RD 3560-7 that was submitted as part of the application
- Underwriter will analyze cash flows and adjust rent based on CRCU and other third-party funder rent requirements (LIHTC max, for example)
- Tiered rents are not acceptable for same bedroom types

(Currently Displaying Calculations Based Upon 2022 HUD Median Income Data for LIHTC)

30%

MISSISSIPPI Rankin County Rankin County (Validate All with Local HFA) (Enter val

HUD Median Income (AMI)	60% AMI 0BR	60% AMI 1BR	60% AMI 2BR	60% AMI 3BR	60% AMI 4BR	50% AMI 0BR	50% AMI 1BR	50% AMI 2BR	50% AMI 3BR	50% AMI 4BR	30% AMI 0BR
\$76,000	\$798	\$855	\$1,026	\$1,185	\$1,323	\$665	\$712	\$855	\$988	\$1,102	
Total Utility Allowance	\$0	\$96	\$125	\$0	\$0	\$0	\$96	\$125	\$0	\$0	
Net LIHTC Rents	\$798	\$759	\$901	\$1,185	\$1,323	\$665	\$616	\$730	\$988	\$1,102	\$0
Units Per AMI %	0	4	17	0	0	0	1	23	0	0	0

Select BR Size to Match Unit Types in Next Column	Unit Types from General Info Page	Utility Allowance	HUD 2022 FMR Less Utilities	Post Transfer Rev Units	Pre Transfer Rev Units	Pre Transfer Rents	LIHTC Rents Compliance Max	CRCU "As Prospective Appraisal" Net of Utilities	(Prospective Rent) Post Transfer Rents	LIHTC Rents	60
0BR	Studio	\$0.00			0	\$0	\$0	\$0		0 Br Units	
1BR	1 BR	\$96.00	\$716	6	0	\$0	\$759	\$900	\$709	1 Br Units	\$759 -
2BR	2 BR	\$125.00	\$822	48	48	\$680	\$901	\$950	\$817	2 Br Units	\$901 -
3BR	3 BR	\$0.00			0	\$0	\$0	\$0		3 Br Units	
4BR	4 BR	\$0.00			0	\$0	\$0	\$0		4 Br Units	
	TOTAL		810	54	48	\$680	\$885	\$944	\$805		

Tax Credit and Post Transfer Unit Comparison			Avg Vacant Units Last 3 yrs (MFIS)	Avg Rent Loss Last 3 yrs	Avg Vacant Units Last Yr (MFIS)	Avg Rent Loss Last Yr Recent Actual	Avg Rent Loss Last 3 yrs plus 2%	Lenders Required Vacancy	HFA's Required Vacancy	Underwritten Vacancy & Bad Debt	Suggested Rents
Unit Sizes	Tax Credit	Transfer									
0BR	0	0									Studio \$0
1BR	6	6									1 BR \$201
2BR	48	48	36.10%	6.3%	48.40%	52.7%	8.3%	5.0%	7.0%	10.00%	2 BR \$881
3BR	0	0	Enter MFIS vacancy rates for same periods								3 BR \$0
4BR	0	0									4 BR \$0

20	Sec 8 Units	37.04%
34	RA Units	62.96%

From Form RD 3560-7

PART I - CASH FLOW STATEMENT		Project(s) Below RICHLAND APTS			
	CURRENT BUDGET 2022	AVERAGE ACTUAL Avg Last 3 Yrs	RECENT ACTUALS 2021	PROPOSED BUDGET Underwritten	COMMENTS or YTD (- -) (- -)
OPERATIONAL CASH SOURCES				(12 Month Budget)	
1 RENTAL INCOME	391,680	213,826	138,871	521,640	COMMENTS
2 RHS RENTAL ASSISTANCE RECEIVED ..		13,819	41,458		

GeneralInfo AppraisalInfo CashAnalysis Sources & Uses Reserve Sizing Rents & Operations Dashboard Report Doc

essibility: Investigate

8. Rents & Operations

- OPERATIONS

- Refer to previous academy session on Operating Budget modeling
- All budget line items will be reviewed for variances > 10% and should be documented accordingly within the narrative and/or specific line items

PART II - OPERATING AND MAINTNANCE EXPENSE SCHEDULE								
Project(s) Below RICHLAND APTS	2022 BUDGET	Avg Last 3 yrs Actual	2021 ACTUAL	Underwritten PROPOSED	Comments Required if Subtotals Highlighted	Current Actuals and State Avg Per Unit		
					COMMENTS	Project Actuals 2021	Project Underwritten	MISSISSIP PI State Avg
1. MAINTENANCE & REPAIRS PAYROLL	10,800	13,433	10,800	10,800	Staffing Change	200	200	242
2. MAINTENANCE & REPAIRS SUPPLY	12,000	3,031	1,692	6,825	Actuals less due to vacant units not being repaired for	31	126	281
3. MAINTENANCE & REPAIRS CONTRACT	24,000	18,956	3,360	13,400	FY21 less vacant units not being repaired for occupan	62	248	619
4. PAINTING AND DECORATING	2,400	1,474	1,983	1,030		37	19	74
5. SNOW REMOVAL	-	-	-	-		0	0	0
6. ELEVATOR MAINT/CONTRACT.....	-	-	-	-		0	0	79
7. GROUNDS	14,400	13,520	13,080	13,500		242	250	288
8. SERVICES	12,000	1,642	1,774	2,000	Extermination	33	37	91
9. CAPITAL BUDGET (Part V operating)	35,000	6,690	500			9	0	254
10. OTHER OPERATING EXPENSES (Itemize)	1,788	-	-	4,100	security services (camera system)	0	76	81
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) ..	112,388	58,747	33,189	51,655		615	957	1,700
12. ELECTRICITY	7,200	5,896	5,841	8,800	Additional common space lighting, with new building a	108	163	146
13. WATER	7,800	9,505	8,884	7,500	plumbing efficiency, less leaks	165	139	211
14. SEWER	10,200	11,866	14,196	12,825	plumbing efficiency, less leaks	263	238	170
15. FUEL (Oil/Coal/Gas)	-	-	-	-		0	0	26
16. GARBAGE & TRASH REMOVAL ..	4,200	4,298	3,980	4,800	actual quote from garbage/trash pickup company	74	89	187
17. OTHER UTILITIES	-	-	-	3,500	Internet Service for computer room	0	65	50
18. SUB-TOTAL UTILITIES (12 thru 17) ..	29,400	31,565	32,901	37,425		609	693	704
19. SITE MANAGEMENT PAYROLL ..	18,000	13,927	15,540	18,000	Salary increase due to additional units	288	333	362
20. MANAGEMENT FEE	41,472	25,363	21,378	46,656	\$72.00 PUPM \$67.00	396	864	687
21. PROJECT AUDITING EXPENSE	3,996	2,883	3,500	4,000		65	74	151
22. PROJECT BOOKKEEPING/ACCOUNTING	2,304	1,181	-	-		43	0	54
23. LEGAL EXPENSES	300	333	75	566	Projected higher with additional occupancy	1	10	23
24. ADVERTISING	400	151	80	400	Projected higher with high vacancy	1	7	7
25. TELEPHONE & ANSWERING SERVICE	1,200	875	1,343	1,200	Changed telephone service provider	25	22	59
26. OFFICE SUPPLIES ...	3,996	3,032	1,750	3,996	Additional staff, computer center	32	74	60
27. OFFICE FURNITURE & EQUIPMENT	-	-	-	-		0	0	27
28. TRAINING EXPENSE ...	4,200	784	807	4,200	In-person training continues post covid	15	78	8
29. HEALTH INS & OTHER EMP. BENEFITS	7,200	4,767	3,600	7,500	Insurance Cost Increase	67	139	74
30. PAYROLL TAXES ...	2,508	4,530	4,292	2,700	Payroll Taxes are less. Actuals included Health Insur	79	50	49
31. WORKER'S COMPENSATION ...	-	-	-	-	Included in Insurance	0	0	14
32. OTHER ADMIN EXPENSES (Itemize)	4,464	12,276	6,256	51,771	538 Fee, UA Reports, cost to process cert	116	959	96
33. SUB-TOTAL ADMINSTRATIVE (19 thru 32)	90,040	70,102	58,621	140,989	Include 538 Fee In Other Admin \$5307.00 (1,086	2,611	1,506
34. REAL ESTATE TAXES	21,000	17,431	16,967	28,554	Taxes are appealed annually. Based on NOI. Should t	314	529	413
35. SPECIAL ASSESSMENTS	-	-	-	-		0	0	22
36. OTHER TAXES, LICENSES & PERMITS	-	60	180	180		3	3	40
37. PROPERTY & LIABILITY INSURANCE	36,000	24,341	33,537	31,534	based on insurance company projections	621	584	456
38. FIDELITY COVERAGE INSURANCE	-	-	-	-		0	0	4
39. OTHER INSURANCE	-	-	-	-		0	0	104
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	57,000	41,831	50,684	60,268		939	1,116	888
41. TOTAL O & M EXPENSES (11+18+33)	288,828	202,245	175,395	290,337		3,248	5,377	4,795

8. Rents & Operations

- OPERATIONS

- Underwriter will adjust Return to Owner (RTO) based on cash flow
- RTO must fit within Security Value and CRCU

From Form RD 3560-7		PART I - CASH FLOW STATEMENT		Project(s) Below RICHLAND APTS	
	CURRENT BUDGET 2022	AVERAGE ACTUAL Avg Last 3 Yrs	RECENT ACTUALS 2021	PROPOSED BUDGET Underwritten	COMMENTS or YTD (- -) (- -)
(12 Month Budget)					
OPERATIONAL CASH SOURCES					COMMENTS
1 RENTAL INCOME	391,680	213,826	138,871	521,640	
2 RHS RENTAL ASSISTANCE RECEIVED ..		13,819	41,458		
3 APPLICATION FEES RECEIVED	-	-	-		
4 LAUNDRY AND VENDING	-	883	232	230	
5 INTEREST INCOME	204	126	73	70	
6 TENANT CHARGES	4,800	10,201	13,128	10,000	less after rehab
7 OTHER - PROJECT SOURCES	-	4,808	-		One time Insurance Proceeds/Ven
8 LESS (Vacancy and Contingency Allowance) 16%	(62,000)			(52,164)	10.00% Vacancy
9 LESS (Agency Approved Incentive Allowances)	-				
10 SUB-TOTAL [(1 thru 7) - (8 & 9)]	334,684	243,663	193,762	479,776	
NON-OPERATIONAL CASH SOURCES					
11 CASH - NON PROJECT	-	-	-		
12 AUTHORIZED LOAN (Non-RHS)	-	-	-		
13 TRANSFER FROM RESERVE	11,000	1,539	-		
14 SUB-TOTAL (11 thru 13)	11,000	1,539	-	-	
15 TOTAL CASH SOURCES (10 + 14)	345,684	245,202	193,762	479,776	
OPERATIONAL CASH USES					
16 TOTAL O&M EXPENSES (From Part II) ..	288,828	202,245	175,395	290,337	
17 RHS DEBT PAYMENT	32,292	29,597	32,287	26,253	
18 RHS PAYMENT (Overage)		2,035	1,177		
19 RHS PAYMENT (Late Fee)		-	-		
20 REDUCTION IN PRIOR YEAR PAYABLES ..		-	-		
21 TENANT UTILITY PAYMENTS ..		236	708		
22 TRANSFER TO RESERVE	12,603	12,494	12,672	30,500	
23 RETURN TO OWNER	763	777	806	23,563	23563
24 SUB-TOTAL (16 thru 23)	334,486	247,385	223,045	370,653	
NON-OPERATIONAL CASH USES					
25 AUTHORIZED DEBT PAYMENT (Non-RHS)	-	-	-	108,853	
26 LONG-TERM IMPROVEMENTS	11,000	1,539	-		
27 MISCELLANEOUS	-	-	-		
28 SUB-TOTAL (25 thru 27)	11,000	1,539	-	108,853	
29 TOTAL CASH USES (24 + 28)	345,486	248,924	223,045	479,506	
30 NET CASH (DEFICIT) (15 - 29)	198	(3,722)	(29,283)	270	0%
CASH BALANCE					
31 BEGINNING CASH BALANCE	0.00	35,109	53,296	46,014	
32 ACCRUAL TO CASH ADJUSTMENT					
33 ENDING CASH BALANCE (30+31+32) ..	198	31,387	24,013	46,284	

9. Dashboard Report

Sellers Equity	
Appraisal - Market Value As Is	\$1,650,000
Reserve Funds (less any withdrawn for Equity)	\$98,480
Current RD Debt	-\$1,032,648
(1) Sellers Equity Allowed Per Appraisal	\$715,832
(2) Sellers Equity or Exit Incentive Proposed	\$567,352
Sellers Equity Allowed	
Thresholds Not Met	
No Exit Incentive Allowed	

RICHLAND APTS

Sources to Cost Analysis

Source	Amount
Expenses Not Eligible for 515 Financing	\$2,382,574
Expenses Eligible for 515 Financing	\$8,607,220
Other Sources	\$100
New Amortizing Loans	\$3,155,459
Non-Amortizing Loans	\$479,307
Tax Credit Equity (Federal & State)	\$8,387,576

Category	State Avg	Underwritten	Average 3 Yr History	Current Budget
MAINTENANCE & OPERATING	\$2,081	\$1,088	\$1,700	\$544
TOTAL UTILITIES	\$544	\$545	\$603	\$704
ADMINISTRATIVE	\$1,667	\$1,298	\$2,611	\$1,506
TAXES & INSURANCE	\$1,056	\$775	\$1,116	\$888

Category	State Avg	Underwritten	Average 3 Yr History	Current Budget
Total O & M Expenses	\$4,795	\$5,377	\$3,745	\$5,349

Loan to Value	
Permanent Financing	
Agency Security Value from Appraisal	\$3,450,000
Agency Assumed Amortizing Loans	\$1,032,648
Other Proposed Amortizing Loans	\$2,122,811
TOTAL Amortizing Loans	\$3,155,459
Security Value Less Amort. Loans	\$294,541
Loan to Value	0.9146

Loans Secured	
Interim Financing	
Interim Lender	\$6,058,000
RD Subordination Cap=Lesser of SV including LIHTC less RD Debt or Interim	\$6,058,000

Debt Service Coverage Ratio	
Net Operating Income / Total Debt Service = DSCR	
Net Operating Income	\$158,939
Total Debt Service	
3560-7 Part 1 line 17 and 25	\$135,106
Debt Service Coverage Ratio	1.18

Adequate Revenue for Debt Service

O & M Expense Changes		
Underwritten v/s Historical Avg - %Change		
Maintenance & Operating (Excludes line 9 & 10)	(\$4,501.67)	-9%
Utilities	\$5,860.00	19%
Total Administrative	\$70,887.00	101%
Total Tax & Insurance	\$18,436.67	44%
Total O & M	\$90,682.00	46%
Reserve Deposit	\$18,005.67	144%

Loans and Lien Position		
Loans	Amounts	Priority
Assumed RD Loans (Deferred)	\$0.00	0
Assumed Amortizing RD Loans	\$1,032,648.00	2
RD 538 Loan - Specify Lender:		
Churchill Mortgage Investment LLC	\$2,122,811.00	1
New Section 515 RRH Loan	\$0.00	0
Specify Lender:		
AHP	\$479,307.00	3
Specify Lender:		
	\$0.00	0
Specify Lender:		
	\$0.00	0
Assumed Existing Non-Agency Loans	\$0.00	0

9. Dashboard Report

RICHLAND APTS			
Equity Contribution - Part I of RTO Calculation		Cash Flow - Part II of RTO Calculation	
Security Value (As Improved with added Value of Interest Credit)	\$3,450,000	Annual Rents at CRCU	\$543,744.00
Less All Amortizing Loans on the Property and RD Deferral	-\$3,155,459	Less Underwritten Vacancy & Bad Debt	-\$54,374.40
(1) Security Value in Excess of Loans	\$294,541	Less Debt Service	-\$135,106.38
Total Tax Credits, Deferred Developers Fee	\$8,387,676	Less O&M	-\$290,337.00
Less Sellers Equity & Ineligible Expenses for 515	-\$2,382,574	Less Reserve	-\$30,500.00
(2) Contribution Provided for All 515 Eligible Cost	\$6,005,102	(1) Cash Flow Available at CRCU	\$33,426
(3) Hard Cost of Construction (From Sources & Uses)	\$5,842,711	(2) 8% of New Equity Contribution	\$23,563
Minimum of (1), (2), (3)	\$294,541	(3) Original Borrower ROI (See General Info Cell G29)	\$763
Maximum Possible Contribution Recognized for Additional RTO	\$294,541	Maximum RTO for This Transaction	\$23,563
8% of Recognized Equity Contribution As Shown Above	\$23,563	Amount Entered on Rents & Operations	\$23,563
Sources & Uses Balanced		Owner Contribution for Loan Agreement Based Upon Underwritten RTO	\$294,538
Equity Contribution for RTO Must be Tested with Cash Flow		Estimated annual amount required to pay off Deferred Developer Fee over 10 yrs \$0. Over 12 Years \$0	
Rents Needed Calculation		Rents Are Within CRCU and LIHTC Rates	
Debt Service	\$135,106.38	Rents Adequate	
O&M	290337	Maximum RTO for LIHTC Compliance is \$23,833	
Reserve	30500	Vacancy Loss Comparison of Industry Standard with Agency Requirement for Vacancy & Cushion	
RTO	\$23,563	Vacancy Loss as Underwritten	\$52,164 10%
Balance for 1.15 C	\$0.00	Vacancy Loss 3 yr Avg Actual	\$15,066 6.3%
Sum	\$479,506.38	Vacancy Loss Agency Standard (Actual plus 2%) not to exceed 10% for 16 or more units and or 15% for less than 16 units	\$43,140 8.27%
Less Other Inc	-10300	1) Total Allowances = Vacancy & Cushion (agency test)	\$43,140
Total	\$469,206.38	2) Less Industry Standard (of 5%)	\$26,082
With Vacancy	\$521,340.00	Minimum of 1) or 2), Less Actual Budgeted Amount	
Amt on UW Bud	\$521,640.00	If positive Reduce Net Cash for RTO.	-\$30,182.00 -5.8%
(+) Inc (-) dec Rents Per unit	\$0.46		
Rents & Tenant Impact			
Rent Increase Proposed	\$125		
Number RA Units	34		
Vouchers or Other Tenant Subsidy	20		
Total Project Units	54		
Potential Tenant Impact	0		
Annual Impact on RA	\$51,000		
Per Unit Per Year RA Increase	\$1,500.00		
% of Annual Rent Increase	\$0		

9. Dashboard Report

Rent Change Comparison								
Unit Type	Number Units	Current Budgeted Rent	Prospective Basic Rent	Prospective Note Rate Rent	LHTC	CRCU	Proposed Rent Change	Rent Change %
Studio	0	0	0	0	0	0	0	
1 BR	6	0	709	733	759	900	709	
2 BR	48	680	817	841	901	950	137	20%
3 BR	0	0	0	0	0	0	0	
4 BR	0	0	0	0	0	0	0	
Weighted	54	680	805	829	885	944	125	18%

538 Thresholds Option 3 - Continuous Loan Note Guarantee		
	Values Entered	Test of Entries
Lease Up Reserve (2% of > Appraised Value or TDC) \$235,666.	\$239,131.00	Lease Up Reserve Met
O&M Reserve (Max of 20% O&M or 2% 538 Loan) \$46,014.	\$46,014.35	O&M Reserve Met
Initial Loan Guarantee Fee \$11,464.	\$11,464.00	Guarantee Fee Met
Construction Contingency (Minimum) \$138,040.	\$138,040.00	Min Contingency Met
Loan to Value to Determine Max 538 Loan	66%	Profit Loan 90% or less
Debt Service Coverage Ratio Met in all years		DSCR Met
National Office 538 Review Requirements		
	Values Entered	Test of Entries
Loan to Cost 75 percent or more	18%	Passed
Loan to Value 75 percent or more	66%	Passed
Loan Amount Greater than \$5 million	\$2,122,811	Passed

9. Dashboard Report



If your transaction exceeds the thresholds included in the tool, you may need to provide an explanation as to why it exceeds those thresholds. RD recognizes that there may be very legitimate reasons for your transaction to do so.

RICHLAND APTS

Thresholds			
Post Transfer Rents		This Transaction	
Maximum allowed by HFA not to exceed CRCU		Max Allowed	885
Post Transfer rents within Limits		Underwritten	805
Rents Cash Flow Proposed Operations		This Transaction	
Expenses met within underwritten Rents		Min Need	\$0
Rents Adequate		Underwritten	\$0
Vacancy Loss		This Transaction	
Maximum allowance 10% (16 or more units) 15% (Less than 16 units)		Max Allowed	10%
Minimum allowance: Lesser of Historical average of collected rents for most recent 3 yrs plus 2%, or HFA / Lender Requirement	8.27%	Min Allowed	5%
		Underwritten	10.00%
Operating Expenses		This Transaction	
Minimum required per unit cost is greater of HFA or Lender must be budgeted		Min Allowed	\$0
No more than 10% change from historical actual without justification		Changed 10%	Yes
		Underwritten	\$5,377
GOA Minimum Requirement		This Transaction	
General Operating Account must be equal to 20%		Min Required	\$46,014
total operating expense as underwritten at time of transfer		GOA + Up	
		Front Deposit	\$46,014
Tenant Protection		This Transaction	
Protect tenants for full 2 year increase for affected tenants		Min Funding	\$0.00
Tenant Protection item 44 of Sources & Uses			\$0.00
CNA Funding & Reserve Deposit		This Transaction	
Minimum Requirement Per Unit is greater of HFA or Lender		Min Allowed	\$300
Reserve ending balance forecast positive all 20 yrs of CNA forecast		CNA Positive \$	Yes
CNA Unit Count & Post Transfer Not the Same		Underwritten	\$635
New Loans for RD 515 Eligible Purposes		This Transaction	
New Loans must be for 515 Eligible Purposes		Max Allowed	\$8,387,676
See Sources & Uses (total eligible cost)		Underwritten	\$2,382,574
DSCR		This Transaction	
Minimum Requirement 1.15		Min Allowed	1.15
Underwritten Yr 1 must be 1.15		Yr 1	1.18
Trending Revenue 2%, Expenses 3% (including reserve) 1.15 to yr 3			
1.1 to yr 5 and 1.0 to yr 15		1.15	Yes
Loan to Value		This Transaction	
All Debts must be secured within Prospective (As Improved) Appraised Value		Min LVT	1.0
		Underwritten	0.9146

10. Documentation

- For RD use

RICHLAND APTS

Richland Gardens, LP

Click Here to Display Needed Documentation

Threshold Mitigation and 538 (if applicable) Explanations

Operating Expenses

HQ Reviewer Accepts:

CNA Funding & Reserve Deposit

HQ Reviewer Accepts:

11. Executive Summary

- Review carefully as this is used in your Letter of Conditions, which is part of the loans docs

RICHLAND APTS Richland Gardens, LP			
Richland MS			
Rev Units: 54	RA Units: 34	34	
The property was built in: 11/12/1993			
MPR Loan Committee Date (If Applicable)			
FY MPR NOSA:	MPR:	<input type="checkbox"/>	
Year of 538 NOSA Response:	<input checked="" type="checkbox"/> Single Project		
The Property is Classified as:	C	<input type="checkbox"/> Part of Portfolio	
This is a Maturing Mortgage:	No	<input type="checkbox"/> Consolidation	
Project Type:	Family	<input checked="" type="checkbox"/> Tax Credits	
Beginning with 2017 NOSA (Transfer Only)	<input checked="" type="checkbox"/> Same Management		
Date Agency Accepted Complete Application	8/8/2022	<input type="checkbox"/> New Management	
<input type="checkbox"/> Debt Deferral Only			

To insert picture:
Click Insert on Ribbon, Select Pictures
and follow prompts to insert.
(Resize to fit this area)

This is a Transfer of Ownership

Buyer: Richland Gardens, LP

Seller: SOUTH MS FAMILY LP

Transaction Overview			
Full Rehab <input checked="" type="checkbox"/>	Partial Rehab <input type="checkbox"/>	Reserve Capitalized <input type="checkbox"/>	
Close Physical Findings?	Yes	Address all Accessibility Issues?	Yes
Health & Safety:	Yes	Solves Workout Plan?	

(Narrative Must Summarize Rehab if Proposed and items above):

The transfer includes the assumption of \$1,032,648 with rehab funding consisting of \$8,383,747 in 9% LIHTC equity, \$2,130,000 in Churchill Stateside Group 538 loan funds, \$479,307 in AHP loan funds in Reserves Used for Rehab, and \$51,009 in deferred developer fee. The property will be completely rehabilitated. Renovations include: Unit/Building - siding, painting, roofs, gutters/downspouts, cabinets/countertops/vanities, flooring, windows, interior/exterior doors, smoke detectors, plumbing: fixture/faucets/valves/water heaters, HVAC, electric system to include panel boxes/switches/outlets/fixtures, appliances to include ranges/ range hoods/ refrigerators/ microwaves/washer/dryers, ceiling fans, exhaust fans, drywall/trim repair, insulation, and accessibility. Exterior - Accessibility upgrades, driveway/parking repair/stripping, sidewalk repairs, lighting, signage, mail kiosk, dumpster enclosures, fencing, stairs, metal railing, storm water, security camera, playground. The CNA has been reviewed and large expense items have been spread over a longer duration as these items are usually not all replace in the same year.

Comments concerning the Owner and Manager and Current Classification of C

Delta Property Management, Inc. has been managing Richland Apartments since 2018 and will continue to be the management company post rehab. The property name will be changing from Richland Apartments to Richland Gardens post transfer. Richland Apartments classification is a "C", due to past due Audits (2020), Tax Receipt (2020), Expired Insurance Certs, 25% Three Month Vacancy, Unacceptable Tenant File Review, IOI Disclosure not recieved, 3b Attachment not recieved, and Physical Findings . Findings have been addressed with the servicing specialist and management. Physical Findings will be corrected with rehab. After closing, and renovation are completed this property should be an "A" classification.

Comments concerning available tenant subsidy and rent-burdened tenants and rents

The property has 48 (2-BR) units which include 48 revenue units, and 17 Rental Assistance units. This property will receive 20 units of HUD Project Based Section 8 subsidy after transfer. There will be 6 new 1-BR units and a new community room constructed post transfer giving the property 54 revenue units post rehab. Per the 8-1-22 worksheet, there are 27 vacant units, and 3 tenants are rent burdened. With the addition of the Section 8 units, there should not be rent burdened tenants after transfer. The vacancy rate is 36.1% for the last 3 years, and the vacancy rate is 48.4% the past 12 months. One building (6 units) were damaged in a fire in 2019 and were never repaired. The owners decided not to turn this claim into the insurance company with the rehab pending in order to keep insurance rates from increasing due to a claim. Units are vacant due to the poor physical condition of units, fire damaged units, and management is holding units vacant in anticipation of rehab since 2019 when the LIHTC award was received. The underwritten vacancy is 10% as vacancy was much lower prior to fire damage, and management holding units anticipating rehab. This property is located near Jackson, MS and with a high demand for affordable housing the newly renovated property should achieve a 10% vacancy. HFA's vacancy requirement is 7% and the lenders is 5%. The

Documentation Regarding CRCU which is \$944 (weighted average)

CRCU was determined by the Agency reviewed and accepted appraisal completed by Pacific Southwest Valuation, LLC dated 3-1-22 . CRCU

>

GeneralInfo

AppraisalInfo

CashAnalysis

Sources & Uses

Reserve Sizing

Rents & Operations

Dashboard Report

Documentation

11. Executive Summary

Deal Summary & Key Outputs							
<div> <input type="checkbox"/> ALL EXISTING 515 LOANS <i>click check box above to display</i> </div>							
#	Deferred	Made	# Years	Original Amount	Recent UPB	As Of	
1	No	11/12/1993	50	\$318,317.51	\$259,634.40	7/28/2022	
Agency Funding				Amount	Per Unit		
Debt Deferral				\$0.00	\$0		
Section 515 RRH Loan				\$0.00	\$0		
Proposed Sources of Funds		#####		Proposed Uses of Funds		\$12,022,442.00	
New Section 515 RRH Loan		\$0.00		Existing RD Loans		\$1,032,648.00	
Existing RD Loans		\$1,032,648.00		Hard Cost		\$5,842,711.00	
538 Loan		\$2,122,811.00		Contractor Fees		\$1,059,295.00	
Other Loans		\$479,307.00		Other Eligible 515 Expenses		\$1,705,214.00	
Project Reserve Funds		\$0.00		Tenant Protection		\$0.00	
Federal 9% LIHTC		\$8,387,576.00		Developers Fee		\$953,801.00	
Federal 4% LIHTC		\$0.00		Payment to Seller		\$567,352.03	
Historic & State Credits		\$0.00		Other Cash Reserves		\$294,068.97	
Owner Contribution & DDF		\$100.00		Total Other Non-RD Eligible Expenses		\$567,352.00	
Other Non Loan Funds		\$0.00					
Unit Type	Current Rent	Proposed Rent		Rent Change			
0BR	\$0	\$0		\$0			
1BR	\$0	\$709		\$709			
2BR	\$680	\$817		\$137			
3BR	\$0	\$0		\$0			
4BR	\$0	\$0		\$0			
Increased (Decreased) RA Cost & Cost (Savings to Tenants)							
RA Units		34		Non-RA Units		0	
Average rent Change		\$125		Annual Impact per Tenant		\$0	
Annual impact on RA		\$51,000		Rent Change Phased In?		_____% (Per Yr)	
Operations Statistics		Current Approved Budget		Underwritten Budget		Change	
Total O&M Expenses Per Unit Yr		\$5,349		\$5,377		0.52%	
Vacancy / Bad Debt %		15.83%		10.00%		5.83%	
Reserve Deposit Per Unit		\$233		\$565		142.01%	
Administrative PUPA		\$1,667		\$2,611		56.58%	
Cash Accounts				Expected Date of Transfer:		9/9/2022	
Projected GOA Beginning Balance		\$46,014		Projected T&I Beginning Balance		\$37,678	
GOA Needed at 20% O&M		\$46,014		T&I Escrow Needed Thru (Month) 7		\$37,678	
Excess GOA to Transfer to Reserve		\$0		Excess T&I to Transfer to Reserve		\$0	
Projected Reserve Beginning Balance		\$98,480		Accounts Payable over 30 days		\$0	
Comments:							
Capital Needs Highlighted							
20 Years Per Unit Inflated		\$17,756		Estimated Beginning Reserve Balance		\$98,480	
>	***	GeneralInfo	AppraisalInfo	CashAnalysis	Sources & Uses	Reserve Sizing	Rents & Operations
		Dashboard					

0

Income Escalator

2%

Expense Escalator

3%

Debt Coverage Ratio Threshdhold Achieved

Debt Coverage Ratio Threshold Achieved															
Year number Calendar Year	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038
Gross Rental Income	\$521,640.00	\$532,072.80	\$542,714.26	\$553,568.54	\$564,639.91	\$575,932.71	\$587,451.36	\$599,200.39	\$611,184.40	\$623,408.09	\$635,876.25	\$648,593.77	\$661,565.65	\$674,796.96	\$688,292.90
Other Income - Apartments	10300.00	\$10,506.00	\$10,716.12	\$10,930.44	\$11,149.05	\$11,372.03	\$11,599.47	\$11,831.46	\$12,068.09	\$12,309.45	\$12,555.64	\$12,806.76	\$13,062.89	\$13,324.15	\$13,590.63
Other Income - not from Apartments	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maximum Gross Income	\$531,940.00	\$542,578.80	\$553,430.38	\$564,498.98	\$575,788.96	\$587,304.74	\$599,050.84	\$611,031.85	\$623,252.49	\$635,717.54	\$648,431.89	\$661,400.53	\$674,628.54	\$688,121.11	\$701,883.53
Vacancy	-10.0%	(52,164.00)	(53,207.28)	(54,271.43)	(55,356.85)	(56,463.99)	(57,593.27)	(58,745.14)	(59,920.04)	(61,118.44)	(62,340.81)	(63,587.62)	(64,859.38)	(66,156.56)	(67,479.70)
Net Collected Income and Cash		\$479,776.00	\$489,371.52	\$499,158.95	\$509,142.13	\$519,324.97	\$529,711.47	\$540,305.70	\$551,111.81	\$562,134.05	\$573,376.73	\$584,844.27	\$596,541.15	\$608,471.98	\$620,641.41
(Less) Operating Expenses & Misc Expenses		(290,337.00)	(298,887.90)	(307,695.33)	(316,766.98)	(326,110.78)	(335,734.89)	(345,647.73)	(355,857.95)	(366,374.48)	(377,206.50)	(388,363.49)	(399,855.18)	(411,691.63)	(423,883.16)
Cash from Operations		\$189,439.00	\$190,483.62	\$191,463.62	\$192,375.15	\$193,214.20	\$193,976.58	\$194,657.97	\$195,253.87	\$195,759.57	\$196,170.23	\$196,480.78	\$196,685.97	\$196,780.35	\$196,758.25
(Less) Transfer to Replacement Reserves		(30,500.00)	(31,415.00)	(32,357.00)	(33,328.00)	(34,328.00)	(35,358.00)	(36,419.00)	(37,512.00)	(38,637.00)	(39,796.00)	(40,990.00)	(42,220.00)	(43,487.00)	(44,792.00)
Net Operating Income after Reserves		\$158,939.00	\$159,068.62	\$159,106.62	\$159,047.15	\$158,886.20	\$158,618.58	\$158,238.97	\$157,741.87	\$157,122.57	\$156,374.23	\$155,490.78	\$154,465.97	\$153,293.35	\$151,966.25
Debt Service															
RD		(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)	(26,253.11)
Other Authorized Loans		(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)	(108,853.26)
Remaining Cash Flow		\$23,832.62	\$23,962.24	\$24,000.25	\$23,940.78	\$23,779.82	\$23,512.20	\$23,132.60	\$22,635.49	\$22,016.20	\$21,267.85	\$20,384.40	\$19,359.59	\$18,186.97	\$16,859.87
RTO		(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)	(23,563.00)
Cushion		\$269.62	\$399.24	\$437.25	\$377.78	\$216.82	-\$50.80	-\$430.40	-\$927.51	-\$1,546.80	-\$2,295.15	-\$3,178.60	-\$4,203.41	-\$5,376.03	-\$6,703.13
Debt Coverage Ratio		1.18	1.18	1.18	1.18	1.18	1.17	1.17	1.17	1.16	1.16	1.15	1.14	1.13	1.11
538 Fee Included in Expenses (used to Stop Index off fee)	\$5,307.00	\$5,466.21													
		\$159.21													

12. Trending 15 years

- Net operating income (NOI) must be 1.15 Debt Service Coverage Ratio (DSCR) for all amortizing debt being placed on the property
- RD will defer to third-party lenders that require DSCR higher than 1.15 (unlikely)

13. Agency Features

- Last page of workbook
- Only for RD use



QUESTIONS