



Partnering with MSHDA
to
Finance Affordable Housing






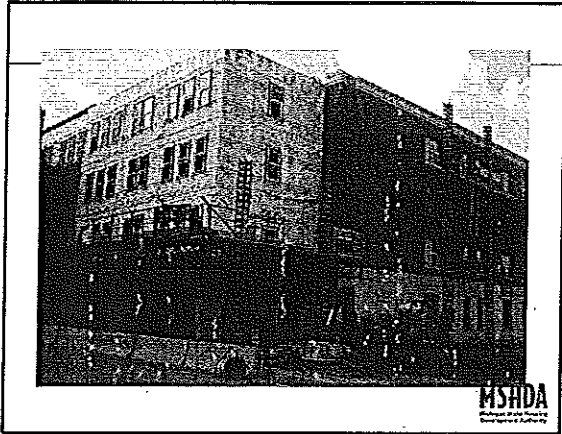
FACING THE CHALLENGE

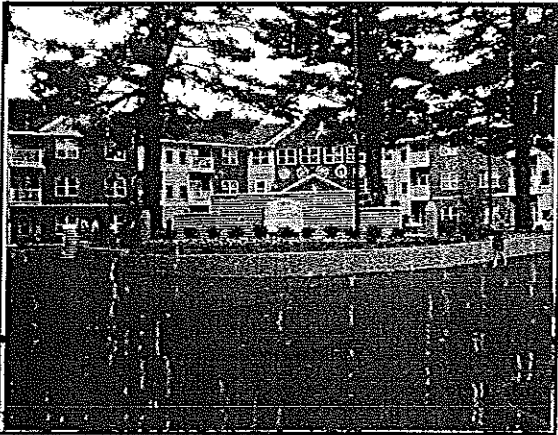


CONFRONTING THE PROBLEM



Team Work









**DIRECT LENDING
PARAMETERS**





Eligibility and Resource Availability

- Eligible Proposals
- Ineligible Proposals
- Project Size
- MSHDA Subordinate Loans





Interest Rate and Terms

- Rate
- Terms
- Prepayment





Underwriting Standards

- Debt Coverage
- Vacancy Loss
- Income and Rent Restrictions
- Annual Trending Factors
- Reserve Requirements
- Developer Fees/Limited Dividend Payments





Application Processing

- Preliminary Assessment
- Threshold
- Commitment
- Initial Closing





Preliminary Assessment

- Preliminary or Full Market Study
- Site Selection Criteria
- Experienced Development Team





Threshold/Commitment Review

- Proforma Creation
- Legal Analysis
- Environmental Analysis
- Costing
- Market Review
- Operating Budget Analysis
- Design Review




Processing Cont.

- Loan Committee
- Board Approval
- Closing


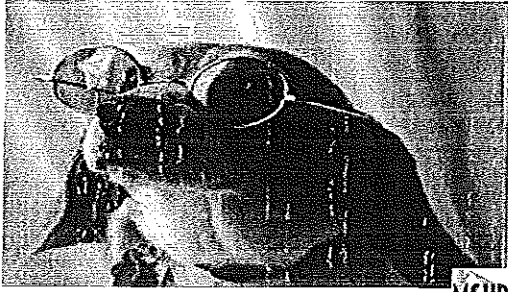




When things go off the tracks...



Rosy Rent Projections



Uncontrolled Spending



Good Idea, Poor Execution



Keep Your Eye on the Ball



Past Performance Matters

Wanna Get Married?



Workouts/Restructuring

