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NH&RA Tennessee Developers Symposium

January 17, 2018
Vanderbilt University
Nashville, TN

New Construction Case Study

Freddie TEL vs. Fannie MTEB

PROPERTY INFORMATION

Project	River North Apartments
Address	10940 Crooked Lake Blvd.
City, State	Coon Rapids, MN
Units	167

	GREYSTONE DEBT	Max	Min	Loan				
	OPTIONS	LTV	DSCR	Term	Prepayment Period	Amortization	Rate	Loan Amount
Freddie Mac	Fixed	90%	1.15x	15	10 yr LO, 4.5 yr YM, then 1%	35	4.95%	\$20,570,000
Fannie Mae	Fixed	90%	1.15x	15	14.5	35	4.65%	\$21,377,000

New Construction Case Study

Freddie TEL vs. Fannie MTEB

	Forward TEL Freddie Mac	Forward MTEB Fannie Mae
FINANCING COST		
Due Dilligence / Application Fees	\$15,000	\$15,000
Forward Monitoring Fee during construction period	\$250/month	\$250/month
Lender Origination Fee	1.0%	1.0%
Conversion Fee	\$2,500	\$2,500
GSC Application Fee	0.10%	0.0%
Lender Legal Fees	\$65,000	\$100,000
Forward Commitment Fee	0.15% per year	0.15% per year
Forward Commitment Deposit (Refundable at Conversion)	2%	2%
ESTIMATED ADDITIONAL TRANSACTION COSTS		
Estimated Bond Costs*	\$617,100	\$641,310
Estimated Bond Underwriter/Placement Fees	0.0%	1.0%
Estimated Bond Underwriter Legal Fee	\$0	\$85,000
Estimated Negative Arbitrage	\$0	\$1,051,782

*Trustee, Issuer, Legal, Etc. - Estimated at 3.0% of the loan amount (varies by State).



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New Construction Case Study

Freddie TEL vs. Fannie MTEB

GREYSTONE DEBT OPTIONS		Max LTV	Min DSCR	Loan Term	Prepayment Period	Amortization	Rate	Loan Amount
Freddie Mac	Fixed	90%	1.15x	15	10 yr LO, 4.5 yr YM, then 1%	35	4.95%	\$20,570,000
Fannie Mae	Fixed	90%	1.15x	15	14.5	35	4.65%	\$21,377,000

TOTAL TRANSACTION COSTS	Forward TEL	Forward MTEB
	Freddie Mac	Fannie Mae
GSE Financing Costs	\$308,480	\$298,401
Bond Costs/Costs of Issuance (Includes Negative Arbitrage)	<u>\$617,100</u>	<u>\$1,991,862</u>
Total GSE Financing and Bond Costs	\$925,580	\$2,290,263

SUMMARY ANALYSIS		
Freddie Mac Transaction Cost Savings	\$1,364,683	
Additional Fannie Mae Loan Proceeds	<u>\$807,000</u>	
Total Savings to Borrower using Freddie Mac Forward TEL Loan	\$557,683	2.7%

Tenant In Place Rehab Case Study

Freddie TEL vs. Fannie MTEB

PROPERTY INFORMATION

Project	Riverstock Apartments
Address	50 Sandy Circle
City, State	Woodstock, GA
Units	172

	GREYSTONE DEBT	Max	Min	Loan				
	OPTIONS	LTV	DSCR	Term	Prepayment Period	Amortization	Rate	Loan Amount
Freddie Mac	Fixed	90%	1.15x	15	10 yr LO, 4.5 yr YM, then 1%	35	4.52%	\$12,610,000
Fannie Mae	Fixed	90%	1.15x	15	14.5	35	4.22%	\$13,120,000



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Tenant In Place Rehab Case Study

Freddie TEL vs. Fannie MTEB

	Immediate TEL	Immediate MTEB
FINANCING COST	Freddie Mac	Fannie Mae
Due Dilligence / Application Fees	\$15,000	\$15,000
Constructuin Monitoring Fee during construction period	\$250/month	\$250/month
Lender Origination Fee	1.0%	1.0%
GSC Application Fee	0.10%	0.0%
Lender Legal Fees	\$65,000	\$100,000
Rate Lock Commitment Deposit (Refundable at closing)	2%	2%
ESTIMATED ADDITIONAL TRANSACTION COSTS	Freddie Mac	Fannie Mae
Estimated Bond Costs*	\$378,300	\$393,600
Estimated Bond Underwriter/Placement Fees	0.0%	1.0%
Estimated Bond Underwriter Legal Fee	\$0	\$85,000

*Trustee, Issuer, Legal, Etc. - Estimated at 2.0% of the loan amount (varies by State).



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Tenant In Place Rehab Case Study

Freddie TEL vs. Fannie MTEB

GREYSTONE DEBT OPTIONS	Max LTV	Min DSCR	Loan Term	Prepayment Period	Amortization	Rate	Loan Amount
Freddie Mac	Fixed 90%	1.15x	15	10 yr LO, 4.5 yr YM, then 1%	35	4.52%	\$12,610,000
Fannie Mae	Fixed 90%	1.15x	15	14.5	35	4.22%	\$13,120,000

TOTAL TRANSACTION COSTS	Immediate TEL	Immediate MTEB
	Freddie Mac	Fannie Mae
GSE Financing Costs	\$156,710	\$149,200
Bond Costs/Costs of Issuance	<u>\$378,300</u>	<u>\$609,800</u>
Total GSE Financing and Bond Costs	\$535,010	\$759,000

SUMMARY ANALYSIS

Additional Fannie Mae Loan Proceeds		\$510,000
Freddie Mac Transaction Cost Savings		<u>\$223,990</u>
Additional Loan Proceeds to Borrower using Fannie Mae MTEBS Loan	2.18%	\$286,010

Contact Information

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