



U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

LIHTC Pilot Program
Program Summary and
Progress-to-Date

Dan Sullivan
11-13-2012





- **Point of the Pilot – the Plan**
- **Program eligibility**
- **Participants**





- **Policy clarification and changes**
 - Cap Rate derivation
 - Rents below market
 - Relocation period
 - Expanded geography and eligible lenders
- **People**





FHA TAX CREDIT PILOT PROGRAM TRAINING

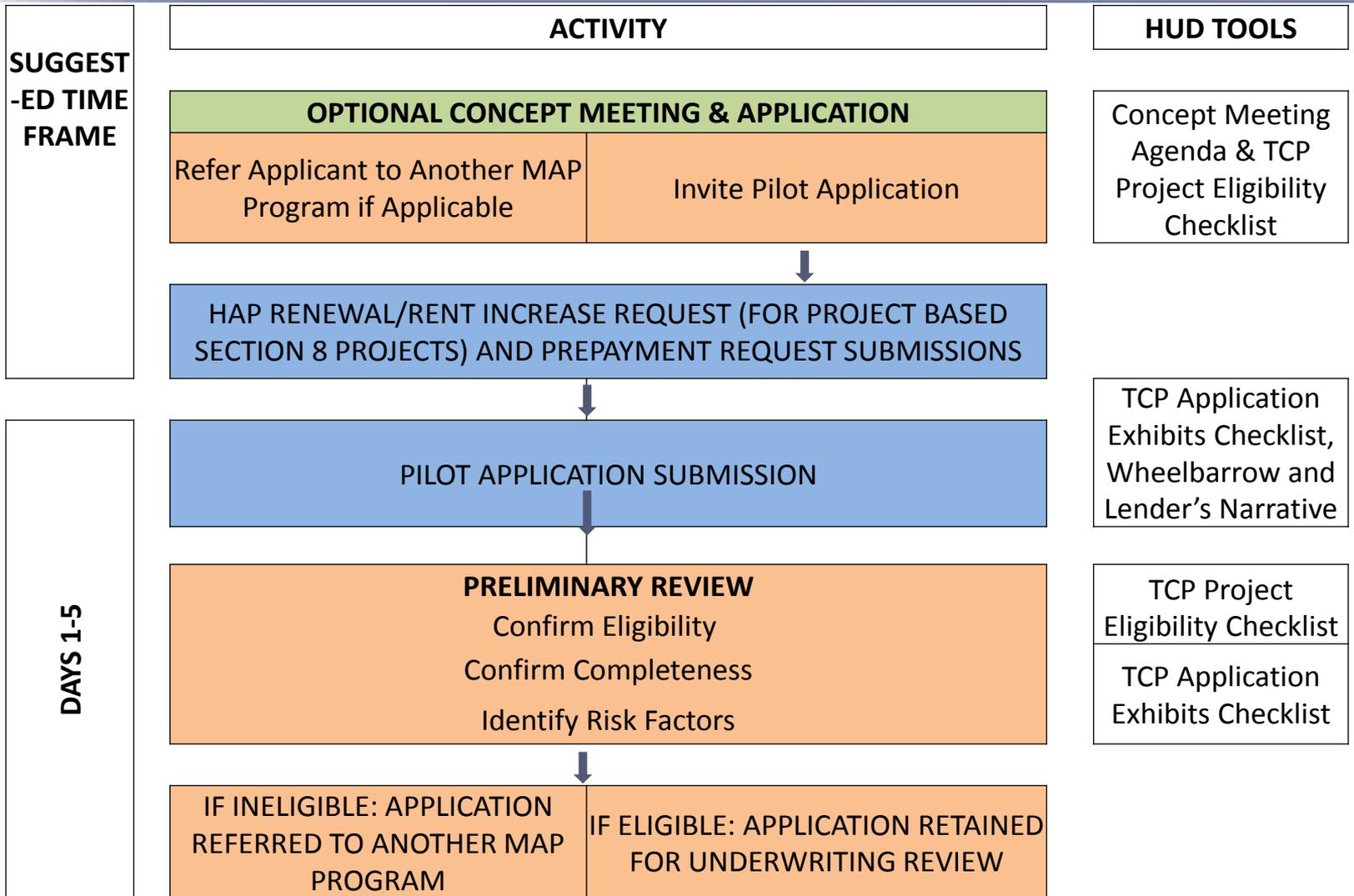
PROJECT PROCESSING FLOW CHART REVIEW

LYNN WEHRLI
NOVEMBER 13, 2012





TAX CREDIT PILOT PROGRAM PROCESS FLOW CHART: APPLICATION





PILOT PROCESS FLOW CHART: UNDERWRITING

DAYS 6 - 50

UNDERWRITING

HQ Notification via Pilot Tracking Sharepoint & DAP Data Entry

Draft Documents, Title and Survey to Field Counsel

Designated Underwriter's Review of Lender's Narrative and Wheelbarrow

**Kick Off Call (No Later than 2 Weeks After Submission)
(Field Counsel Invited)**

**Kick Off Call
Agenda**

Technical Reviews (By Designated Underwriter and if Requested, Technical Staff)

Site Visit and Environmental Review

Preliminary OGC Review: Site Control, Partnership Agreement, Lien Priority, and Other Project Specific Concerns

Status Call (2 Weeks after Kick Off Call and When DU is Nearly Ready To Recommend Decision)

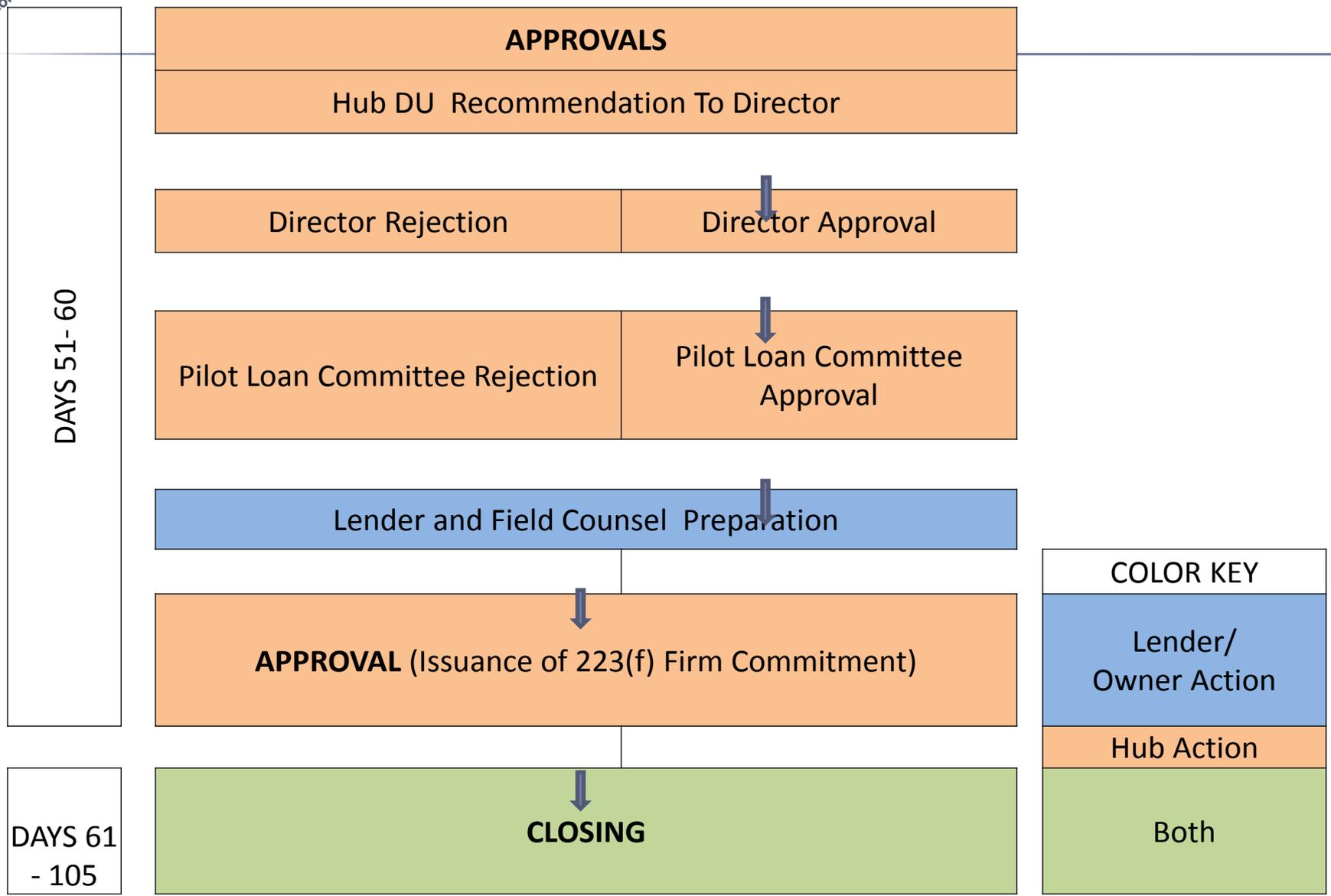
**Status Call
Agenda**

Legal Review, Preliminary Closing Checklist Preparation





PILOT PROCESS FLOW CHART: APPROVALS & CLOSING





FHA TAX CREDIT PILOT PROGRAM:

PROCESSING GUIDE : CONTENT AND RECENT UPDATES

LYNN WEHRLI





PROCESSING GUIDE OVERVIEW AND UPDATES

- **Processing Guide is intended for use by both Lenders and HUD Staff**
- **Purpose: To Provide Informal Instructions for Application Preparation and Processing**
- **New Version Posted 11/9/12**





PROCESSING GUIDE OVERVIEW AND UPDATES

- **Primary Changes:**

- Program Policy Interpretations and Adjustments described in in FAQs were incorporated into the Guide
- New Section “Field Counsel and Closing Notes” Added for More Detail on Closing – Timing and Documents
- “Process Notes for Projects Located Outside of Pilot Hub Jurisdictions” narrative, and related exhibits in new Appendix G, was added (Needed as a result of Expansion to all 50 states)





U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

LIHTC Pilot Program
Lender's Narrative and Application
Exhibits

Pilot Training 11-13-12
Margaret Salazar





- **Streamlined exhibits**
- **Standardized Narrative**
- **Wheelbarrow**





Standard Lender Narrative: Highlights

- Eligibility/threshold checklist for 3 types of LIHTC Pilot projects
- Lender's analyses typically required as distinct exhibits
- Risks/mitigants
- Summary information typically required on Form 2013
- LIHTC award information and development team





- **Standard forms that may be omitted from LIHTC Pilot applications**
 - Form HUD 9-2013 (replicated in Lender's Narrative)
 - Form HUD 9-2013-supp (replicated in master certification)
 - 2264-A (replicated in required wheelbarrow)
 - Byrd Amendment (replicated in master certification)
 - Certification of Mortgagor's Architect





ARCHITECTURE/ENGINEERING/COST EXHIBITS

Eliminated AEC Exhibits for all Pilot Applications

- Lender's AEC Review (part of Lender Narrative)
- Certification from Mortgagor's Architect
- Legal Survey Form HUD-92457, Surveyors Report (not submitted until Initial Endorsement),
- Description of condition of property, list of repairs and improvements made in last two years and their estimated cost (part of Lender Narrative), and
- Soils report and foundation analysis (not applicable).





MORTGAGE CREDIT EXHIBITS

Eliminated Mortgage Credit Exhibits for all Pilot Applications

- Certification if LIHTC, Historic or New Market tax credits are part of financing (not necessary as these are all LIHTC transactions)
- Personal Financial and Credit Statement, Form HUD 92417, which is not required for Tax Credit Limited Partner and syndicator if the lender can provide a certification that these entities are among those with ample experience and ratings to show sufficient borrower reliability.
- 2530s for Nonprofit Board members – only for Board officers.
- Schedule of Mortgage Debt and credit reports
 - If current rating agency scores are available, these will be required.
 - Credit reports not required for the investor, syndicator, NP board.





VALUATION EXHIBITS

Eliminated Valuation Exhibits for all Pilot Applications

- Market Study
- Area map showing location
- Photographs of building
- As-Built” Survey and Form HUD-2457, Surveyor’s Report.

Valuation Exhibits for Assisted Housing Applications

- Section 8 HAP Contract Renewal Request
- Section 8 Rent Comparability Study
- RCS 2273 form may be submitted rather than a new 2273
- Occupancy history/rent rolls not required
- May waive survey and arms length information for Direct Loan projects





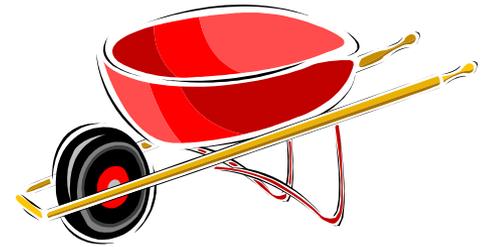
CONCLUSIONS

- **TC Pilot Processing Guide has full annotated exhibit list**
- **Focus on risk based underwriting**
- **Integration of Asset Management and Section 8 HAP Contract requirements into FHA loan submission to reduce confusion**
- **Standard presentation of data:**
 - Lender Narrative and Wheelbarrow replace myriad, disparate Mortgage Credit and other exhibits





THE TAX CREDIT PILOT WHEELBARROW



FOR APPLICATIONS SUBMITTED UNDER THE

TAX CREDIT PILOT

JOHN BELL - NOVEMBER 2012





FHA'S TAX CREDIT PILOT WHEELBARROW

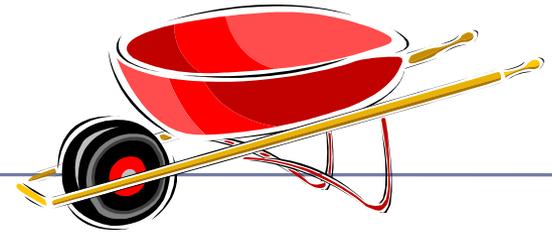
The Excel file creates a Standardized Report

- 26 pages – preformatted for printing using Excel's print-setup capabilities.
- The two main purposes of the report:
 - To Capture the necessary information to allow FHA to understand Tax Credit projects
 - To Provide concise, consistent reports so FHA's designated underwriters can perform accurate and efficient application reviews





THE WHEELBARROW



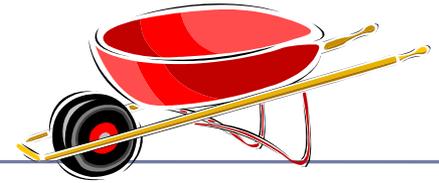
We began with the Wheelbarrow in 2010. Why is it called the Wheelbarrow?

- The system carries information from one place to another within an Excel file and performs useful calculations
 - Well received and adopted by industry and FHA
- **The Tax Credit Pilot Wheelbarrow?**
 - Carries additional information related to the tax credit aspects of project within the same Excel file
 - Additional info held to a minimum





THE WHEELBARROW

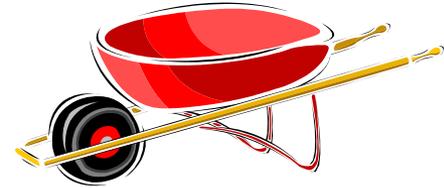


- **What does the Wheelbarrow do for us?**
 - The Wheelbarrow creates loan information reports in minutes instead of hours
 - The Wheelbarrow frees up FHA up to process lenders' applications more quickly.
 - Because the Wheelbarrow provides a uniform report, it allows for more efficient review.
 - Its insistence on accounting for all of a project's sources and uses improves FHA's ability to understand the transaction.





THE STANDARD TAX CREDIT PILOT WHEELBARROW REPORT CONTAINS



- Index
- Executive Summary
- Consolidated and Condensed Sources and Uses
- Tax Credit Equity and Permanent Sources of Capital
- Draw Schedule
- Mortgageable Costs/Non-mortgageable Costs Data Entry Form and Summary
- Non-mortgageable Costs Summary
- 92264-A with Total Requirements for Settlement – 3 pages
- Output- HUD Summary Report – 5 pages
- Other pages





A QUICK LOOK AT SOME STANDARD TAX CREDIT PILOT WHEELBARROW REPORT PAGES INDEX – 26 PAGES IN A USEFUL SEQUENCE

Tax Credit Manor
Lake Wobegon, Midwestia

Tax Credit Pilot - Financial Profile Exhibits List

	<u>Page #</u>	<u>Page title</u>
Tax Credit Pilot Executive Summary	1	Executive Summary
Consolidated and condensed Sources and Uses	2	Section A - Consolidation schedule of Sources of Funds - page 1 of 1
Mortgageable/Non-Mortgageable Costs Summary	3	Section B - Mortgageable Costs and Consolidated Uses - page 1 of 1
Tax Credit Equity, Permanent Capital Sources other than Draw Schedule	4	Section C - Tax Credit Equity and Permanent Capital Sources - page 1 of 1
92264-A	5	Section D - Draw Schedule - page 1 of 1
	6	Section E - 92264-A - page 1 of 3, Section I, page 1 of 1
	7	Section E - 92264-A - page 2 of 3, Section I, page 2 of 2
	8	Section E - 92264-A - page 3 of 3, Sections II and III, page 1 of 1
Non-mortgageable cost items (page 1 of 2, entries 1-15)	9	Section F - Page 1 of 3, Non-mortgageable Itemized costs - page 1 of 2
Non-mortgageable cost items (page 2 of 2, entries 16-30)	10	Section F - Page 2 of 3, Non-mortgageable Itemized costs - page 2 of 2
Non-Mortgageable Costs - Summary	11	Section F - Page 3 of 3, Non-mortgageable Category Summary - page 1 of 1
Mortgageable cost allocation for Settlement Requirements	12	Section G - Page 1 of 3, Settlement Allocation - Mortgageable, page 1 of 1
Non-mortgageable cost allocation for Settlement Requirements	13	Section G - Page 2 of 3, Settlement Allocation - Non-mortgageable, page 1 of 2
Non-mortgageable cost allocation for Settlement Requirements	14	Section G - Page 3 of 3, Settlement Allocation - Non-mortgageable, page 2 of 2
Allocation of Financing Source to be used in the Consolidated Notes pages	15	Section F - Permanent Capital Sources Consolidation Categorization - page 1
	16	Section H - Notes and useful calculations and lists pages - page 1 of 2
	17	Section H - Notes and useful calculations and lists pages - page 2 of 2
Wheelbarrow Report	18	Property Profile, page 1
	19	Property Profile, page 2
	20	Property Profile, page 3
	21	Property Profile, page 4, NOI Summary
	22	Property Profile, page 5, Stress Test
Wheelbarrow Data Sheet	23	Data Input Page 1 - Property Profile
	24	Data Input Page 2 - Income & Expense, Mortgage Criteria
	25	Data Input Page 3 - Sources & Uses
	26	Data Input Page 4 - Two year financial history

Release date, Apr18, 2012





EXECUTIVE SUMMARY – CONCISE BUT COMPREHENSIVE

Executive Summary			
Tax Credit Pilot Executive Summary			
Project Name	TC Manor	Acquisition credit	\$210,255
City, State	Lake Wobegon / Midwestia / 12345	Acquisition basis / %	\$6,550,000 3.21%
Total number of Units	100	Rehabilitation credit	\$335,740
Tax Credit Units	100	Rehabilitation basis / %	\$4,488,500 7.48%
		Total Tax credits / Boost?	\$545,995 0.00%
		Tax Credit price per credit / % sold	\$0.9000 96.99%
		Tax Credit Investor:	Local Bank seeking CRA credit
		cal't'd. prc'ds.	\$4,913,953
		Type of project	Walkup
		No. of stories	2
		No. of Buildings	5
		Location	Suburban
		Site acre or sq. ft.	5.1
		Year built	1995
		Land/Property information	
		Land Value	\$500,000
		Gross Floor area	118,009
		Comrcl. Space	0
		Market NOI	\$493,600
		Cap rate assumed	7.00%
		Unrounded value	\$7,051,429
		Capitalized value	\$7,050,000
		Summation value	\$7,400,000
		Comparison value	\$6,760,000
		Current Value:	\$7,050,000
		Debt outstdg	\$5,000,000
		3 year sale?	no
		Date acquired	TBD
		Purchase Px.	\$7,050,000
		Resyndication of tax credit project	
Consolidated and condensed Sources and Uses			
	Total	Per unit	% of Total
Land and Building Acquisition (incl. debt)	\$ 7,050,000	\$ 70,500	53.6%
Hard Construction Costs (incl. land improve)	\$ 3,050,000	\$ 30,500	23.2%
Fees	\$ 132,500	\$ 1,325	1.0%
Carrying Charges & Financing	\$ 370,000	\$ 3,700	2.8%
Legal, Organizational & Audit Fees	\$ 136,000	\$ 1,360	1.0%
Developer Fee	\$ 800,000	\$ 8,000	6.1%
Reserves & Escrows	\$ 1,550,000	\$ 15,500	11.8%
Closing & other costs	\$ 65,000	\$ 650	0.5%
Total	\$ 13,153,500	\$ 131,535	100.0%
	Total	Per unit	% of Total
FHA Mortgage	\$ 5,000,000	\$ 50,000	38.0%
Non-FHA debt	\$ 250,000	\$ 2,500	1.9%
Grants	\$ -	\$ -	0.0%
Tax Credit Equity	\$ 4,913,462	\$ 49,135	37.4%
Transferred Reserves	\$ 300,000	\$ 3,000	2.3%
Cash Escrow Transfers	\$ 50,000	\$ 500	0.4%
Deferred Developer Fee	\$ 40,038	\$ 400	0.3%
LOCs	\$ 550,000	\$ 5,500	4.2%
Owner Cash	\$ -	\$ -	0.0%
Owner Equity	\$ 2,050,000	\$ 20,500	15.6%
Total	\$ 13,153,500	\$ 131,535	100.0%
Criterion 3 Mtg	\$6,345,000	Criterion 7 Mtg	\$0
Crit. 3 Valu	\$7,050,000	Criterion 7 %	0.00%
Crit. 3 financable %	90.00%		
Criterion 4 Mtg	\$15,387,700	Criterion 10 Mtg	\$8,286,500
Crit. 4 HiCost factor	250.00%	Crit. 10 a Debt	\$5,000,000
		Crit. 10 b1 Repairs	\$2,550,000
		Crit. 10 c Oth Fees	\$105,500
Criterion 5 Mtg	\$5,049,800	Crit. 10 d Ln chrgs	\$631,000
Crit. 5 NOI	\$342,400	Crit. 10 f Ln chrgs	\$0
Crit. 5 Coupon	4.0000000%	Crit. 10 g sum	\$8,286,500
Crit. 5 All-in rate	5.7632969%	Crit. 10 80% value	\$5,640,000
		Relationship/Notes on acquisition:	
		Operating Summary	
		Rental & Ancly Income	\$ 960,000
		Vacancy Loss	\$ (57,600)
		Net Commercial Income	\$ -
		Annual Residential Expenses (excl R4R)	\$ (535,000)
		Annual Reserve for Replacements	\$ (25,000)
		Net Operating Income:	\$ 342,400
		Debt Service incl MIP	\$ (288,165)
		Cash Flow	\$ 54,235
		Debt Service Coverage Ratio:	118.8%
		Est Gross Income	\$ 902,400
		Comm. Percent	0.0%
		Exp. Ratio	62.1%
		Unit breakdown	
		Avg. Sq. Ft.	# of Units
		0	0
		0	0
		850	100
		0	0
		0	0
		0	0
		0	0
		850	100
		Avg. rent	\$0.00
		\$0.00	\$0.00
		\$800.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$800.00	\$0.00
		Tax Credit Rents % below of Market Rents:	12.00%
		Mkt NOI/Crit5 NOI	144.2%
		Annual/unit	Monthly/unit
		Avg rent (rev units)	\$9,600
		\$800	\$800
		Avg rent psf (rev units)	\$11.29
		\$0.94	\$0.94
		PUPA Exp (all units)	\$5,600
		\$467	\$467
		Debt Svc (all units)	\$2,882
		\$240	\$240
		Cash Flow after FHA	\$542
		mtg (all units)	\$45
		FHA Mortgage terms	
		FHA Mortgage	\$ 5,000,000
		Term	420
		Coupon	4.00000%
		MIP	0.45000%
		Curtail rate (cal't'd)	1.3133%
		Annual All-in cost	5.7633%
		Ann Debt Service	\$ 288,165
		Note: monthly P&I excl	\$ 22,139





MORTGAGE-ABLE AND NON-MORTGAGEABLE SOURCES AND USES - BOTH CATEGORIES' SOURCES AND USES BALANCE. NO PROJECT COSTS ARE OMITTED

Section A - Consolidation schedule of Sources of Funds - page 1 of 1

2

Consolidated and condensed Sources and Uses

	<u>Total</u>	<u>Mortgageable</u>	<u>Non Mortgageable</u>
Land and Building Acquisition <i>(incl. debt)</i>	\$7,050,000	\$5,000,000	\$2,050,000
Hard Construction Costs <i>(incl. land improvements)</i>	\$3,050,000	\$1,675,000	\$1,375,000
Fees	\$132,500	\$105,500	\$27,000
Carrying Charges & Financing	\$370,000	\$365,000	\$5,000
Legal, Organizational & Audit Fees	\$136,000	\$66,000	\$70,000
Developer Fee	\$800,000	\$0	\$800,000
Reserves & Escrows	\$1,550,000	\$700,000	\$850,000
Closing & other costs	\$65,000	\$0	\$65,000
Total	<u>\$13,153,500</u>	<u>\$7,911,500</u>	<u>\$5,242,000</u>
FHA Mortgage	\$5,000,000	\$5,000,000	\$0
Non-FHA debt	\$250,000	\$0	\$250,000
Grants	\$0	\$0	\$0
Tax Credit Equity	\$4,913,462	\$2,411,500	\$2,501,961
Transferred Reserves	\$300,000	\$0	\$300,000
Cash Escrow Transfers	\$50,000	\$0	\$50,000
Deferred Developer Fee	\$40,038	\$0	\$40,038
LOCs	\$550,000	\$500,000	\$50,000
Owner Cash	\$0	\$0	\$0
Owner Equity	\$2,050,000	\$0	\$2,050,000
Total	<u>\$13,153,500</u>	<u>\$7,911,500</u>	<u>\$5,241,999</u>
If not balanced, explain surplus or deficit below.	<i>Surplus/(deficit)</i> \$0	\$0	\$1

2 Tax Credit Project Presentation Sequence

0 input cells





TAX CREDITS AND ALL OTHER SOURCES OF PERMANENT CAPITAL

Section E - Tax Credit Equity and Permanent Capital Sources - page 1

Tax Credit Equity					Payment Condition - later of:				
					Proj. Date	Relative to Constr	Reltv to Rent-up	Reltv to Brkvn	First Year K-1
Short Payment Description	Payment	92264A line	Settlmnt amt	Dev Fee amt					
1 Closing	\$982,692	III,k	\$982,692						10% carryover
2 Completion	\$1,474,039	92264A line			10/1/2012	50%			
3 95% occupancy	\$1,474,039	92264A line			4/1/2013	100%	95%		
4 Delivery of first year K-1	\$982,692	92264A line			10/1/2013				K-1
5		92264A line							
6		92264A line							
7		92264A line							
8		92264A line							
Equity Bridge		92264A line	\$1,428,808						
Totals	\$4,913,462		\$2,411,500	\$0		Equity Bridge Available?		\$3,930,769	

Permanent Capital Sources other than Tax Credit Equity										
				\$5,500,000	Mndtry DS?	Available ~	Coupon	Term (years)	Amort? #yrs	Accrual?
Source	Principal	92264A line	Settlmnt amt	hard/soft	constr?				or No	Yes/No
1.0 1 FHA Mortgage	\$5,000,000	B,4,a	\$5,000,000							
2.0 2 County CDBG loan	\$250,000	III,a	\$0							
2.1 0 Non FHA Source 2	\$0	III,b	\$0							
2.2 0 Non FHA Source 3	\$0	III,c								
2.3 0 Non FHA Source 4	\$0	III,d								
2.4 0 Non FHA Source 5	\$0	III,e								
2.5 0 Non FHA Source 6	\$0	III,f								
3.0 3 Transferred Reserves	\$300,000	III,g								
4.0 4 Cash Escrow Transfers	\$50,000	III,h	\$0							
5.0 5 Deferred Dev. Fee	\$40,038	92264A line								
6.0 6 LOCs	\$550,000	III,i	\$500,000							
6.1 0 Owner Cash		III,j								
6.2 0 Other GP Contribution, e.g., Dev. Note	\$0	92264A line								
7.0 7 Implied Property Equity based on Value and out	\$2,050,000	92264A line								
Subtotal Excluding Tax Credit Equity	\$8,240,038		\$5,500,000							
8.0 8 Tax Credit Equity	\$4,913,462		\$2,411,500							
Total Sources	\$13,153,500		\$7,911,500			Total Uses	\$13,153,500	Tot Sttlmt		

4 Tax Credit Project Presentation Sequence





DRAW SCHEDULE – SIX MONTH INTERVALS

Section H - Draw Schedule - page 1

Draw Schedule

This worksheet should be completed by allocating both sources and uses in six months intervals. Use the %s in Colts. G, I, K & M to allocate costs. Input sources equaling costs manually in the turquoise cells beginning in row 33.

Click the boxes containing a "2" above the row numbers to display cost allocating percentages in columns G, I, K & M. Click the box with a "1" to hide the those columns and print without showing them.

In each column, generally, uses should equal sources. A cumulative shortfall at any time is unacceptable.

Uses	Period%		Period%		Period%		Period%		Total%	Balance
	Consolidated Uses-funded	Months 1-6	Months 7-12	Months 13-18	Months 19-24+					
Acquisition	\$7,050,000		\$7,050,000	\$0	\$0	\$0	\$0	\$0		\$0
Debt on the property	\$5,000,000	100%	\$5,000,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Implied Owner's Equity in the property	\$2,050,000	100%	\$2,050,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Land Improvements	\$0	100%	\$0	\$0	\$0	\$0	\$0	\$0	100%	\$0
Repairs - Critical	\$50,000	100%	\$50,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Repairs - Non-Critical	\$3,000,000	50%	\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	100%	\$0
Fees - Soft Costs	\$132,500	100%	\$132,500	\$0	\$0	\$0	\$0	\$0	100%	\$0
Financing Costs - excluding title & rec	\$315,000	100%	\$315,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Title and Recording	\$55,000	100%	\$55,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Leg & Org	\$136,000	100%	\$136,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Dep to Reserves	\$200,000	0%	\$0	100%	\$200,000	\$0	\$0	\$0	100%	\$0
Developer Fee	\$800,000	0%	\$0	50%	\$400,000	\$400,000	\$0	\$0	100%	\$0
Deposit to Reserve (HUD or Non-HUD re	\$750,000	0%	\$0	0%	\$0	100%	\$750,000	\$0	100%	\$0
LOC Funded Reserves HUD o	\$50,000	100%	\$50,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Misc. costs/synd/c	\$65,000	100%	\$65,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Repayment of debt other	\$0	100%	\$0	\$0	\$0	\$0	\$0	\$0	100%	\$0
Cash Escrow funds - FHA (e.g	\$0	100%	\$0	\$0	\$0	\$0	\$0	\$0	100%	\$0
LOC Escrow funds - FHA	\$500,000	100%	\$500,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
Cash Escrow fun	\$50,000	100%	\$50,000	\$0	\$0	\$0	\$0	\$0	100%	\$0
LOC Escrow f	\$0	100%	\$0	\$0	\$0	\$0	\$0	\$0	100%	\$0
Total Use	\$13,153,500		\$9,903,500	\$2,100,000	\$1,150,000	\$0	\$0	\$0		\$0

Capital Sources

Total Sources: #		Total	Months 1-6	Months 7-12	Months 13-18	Months 19-24+	Balance
1	FHA Mortgage	\$5,000,000	\$5,000,000				\$0
2	County CDBG loan	\$250,000	\$250,000				\$0
3	Transferred Reserves	\$300,000	\$300,000				\$0
4	Cash Escrow Transfers	\$50,000	\$50,000				\$0
5	Deferred Dev. Fee	\$40,038			\$40,038		\$0
6	LOCs	\$550,000		\$550,000			\$0
7	Implied Property Equity based on Value and outs	\$2,050,000	\$2,050,000				\$0
8	Tax Credit Equity	\$4,913,462	\$2,456,731	\$1,474,039	\$982,692		\$0
0	#N/A	\$0					\$0
0	#N/A	\$0					\$0
0	#N/A	\$0					\$0
0	#N/A	\$0					\$0
0	#N/A	\$0					\$0
0	Construction loan (use neg. #s for repayment) or Bridge loan (use neg. #s for repayment)		\$1,428,808	\$75,962	\$127,269		-\$1,428,808
	Total	\$13,153,500	\$9,903,500	\$2,100,001	\$1,149,999	\$0	\$0
	Surplus/(deficit)	\$0	\$0	-\$1	\$1	\$0	\$0
	Cum. Surplus/(deficit)			\$0	\$0	\$0	\$0
	Consts/Bridge period net		-\$209,231	\$75,962	\$127,269	\$0	\$0
	Construction Completion %		51%	45%	0%	0%	
	Cumulative completion		51%	100%	100%	100%	
	Proj. Units:		100	0	0	0	
	Cumulative rentup		100	100	100	100	
	Cumulative rentup %		100.00%	100.00%	100.00%	100.00%	





COMPLETING THE TAX CREDIT WHEELBARROW IS EASY IF YOU'RE PREPARED.

The process should take at most a few hours.

Fill in the blue-background cells. Follow directions.

Key: Have your project's financial data and standard forms at hand already completed before tackling the Wheelbarrow.

Section B - Mortgageable Costs and Consolidated Uses - page 1 of 1

Line	Use Appraisal, PCNA& 92264-allowable	Mortgageable- directly funded with FHA mortgage	Non Mortgageable- funded by Non-FHA sources - figures from below	Consolidated Uses-funded by all sources
	1	Acquisition Price	\$5,750,000	NA (see prop debt & equity)
2	Debt on the property	\$5,000,000	\$5,000,000	\$5,000,000
3	Implied Owner's Equity in the property	\$750,000		\$750,000
4	Unrealized Owner's property equity gain/(loss)	\$0		\$0
5	Land Improvements	\$0	\$0	\$0
6	Repairs - Critical	\$50,000	\$50,000	\$50,000
7	Repairs - Non-Critical	\$2,500,000	\$1,625,000	\$1,375,000
8	Fees - Soft Costs	\$105,500	\$105,500	\$27,000
9	Financing Costs - excluding title & recdg (T&R)	\$315,000	\$315,000	\$0
10	Title and Recording	\$50,000	\$50,000	\$5,000
11	Leg & Org	\$66,000	\$66,000	\$70,000
12	Dep to Reserves allowed on 2264, G. Lines 70,71,72	\$200,000	\$200,000	NA
13	Developer Fee	NA	NA	\$800,000
14	Deposit to Reserve (HUD or Non-HUD required)			\$750,000
15	LOC Funded Reserves HUD or Non-HUD required)	\$0	\$0	\$50,000
16	Misc. costs/synd/closing (non-HUD)	NA	NA	\$65,000
17	Repayment of debt other than acquisition debt above			\$0
18	Cash Escrow funds - FHA (e.g., 20% of repairs)		\$0	NA
19	LOC Escrow funds - FHA	\$500,000	\$500,000	NA
20	Cash Escrow funds - Non FHA	NA	NA	\$50,000
	LOC Escrow funds - Non FHA	NA	NA	\$0
	Total Uses	\$9,536,500	\$7,911,500	\$3,942,000
	Total Est. Development cost (lines 4-11)	\$3,286,500	\$2,411,500	
	Land Existing indebtedness	\$5,000,000	\$5,000,000	
	Total Est. Replacement cost	\$8,286,500	\$7,411,500	
	\$6500 per unit x cost adjustment is payable from FHA proceeds. The amount/unit assumed to be paid directly from FHA x HCF of		2.5	\$1,625,000
				\$16,750

3 Tax Credit Project Presentation Sequence

15 input cells





WE'VE SOUGHT TO MAKE THE PROCESS AS EASY AS POSSIBLE

Most inputting is done on a single worksheet called the Comprehensive Sources and Uses Worksheet.

The worksheet is laid out carefully to print automatically as 12 pre-formatted pages.

The worksheet performs a number of useful functions through drop down menus and data aggregation.

The image displays a grid of 12 screenshots from a software application, arranged in a 3x4 layout. Each screenshot shows a different page of a data entry and reporting system. The pages are labeled as follows:

- Page 1:** Comprehensive Sources and Uses Worksheet (top-left)
- Page 2:** Mortgage and Rent Worksheet (top-middle)
- Page 3:** Rent Worksheet (top-right)
- Page 4:** Comprehensive Sources and Uses Worksheet (middle-left)
- Page 5:** Mortgage and Rent Worksheet (middle-middle)
- Page 6:** Rent Worksheet (middle-right)
- Page 7:** Comprehensive Sources and Uses Worksheet (bottom-left)
- Page 8:** Mortgage and Rent Worksheet (bottom-middle)
- Page 9:** Rent Worksheet (bottom-right)
- Page 10:** Comprehensive Sources and Uses Worksheet (bottom-left)
- Page 11:** Mortgage and Rent Worksheet (bottom-middle)
- Page 12:** Rent Worksheet (bottom-right)

The screenshots show various data entry forms, tables, and summary reports. The data includes categories such as 'Mortgage and Rent', 'Rent', and 'Comprehensive Sources and Uses'. The interface features dropdown menus, checkboxes, and data aggregation functions. The pages are pre-formatted for printing, with clear headers and footers.





**THE PREPONDERANCE OF THE REPORT IS GENERATED FROM DATA INPUT BY THE LENDER.
THE LACK OF BLUE CELLS BELOW MEANS THE INFORMATION WAS AUTOMATICALLY
ASSEMBLED.**

Consolidated and condensed Sources and Uses

	Total	Per unit
Land and Building Acquisition (incl. debt) *	\$ 5,750,000	\$ 57,500
Hard Construction Costs (incl. land improve)	\$ 3,050,000	\$ 30,500
Fees	\$ 132,500	\$ 1,325
Carrying Charges & Financing	\$ 370,000	\$ 3,700
Legal, Organizational & Audit Fees	\$ 136,000	\$ 1,360
Developer Fee	\$ 800,000	\$ 8,000
Reserves & Escrows	\$ 1,550,000	\$ 15,500
Closing & other costs	\$ 65,000	\$ 650
Total	\$ 11,853,500	\$ 118,535

*Acq. debt to pay off: \$ 5,000,000

	Total	Per unit
FHA Mortgage	\$ 5,000,000	\$ 50,000
Non-FHA debt	\$ 250,000	\$ 2,500
Grants	\$ -	\$ -
Tax Credit Equity	\$ 4,537,929	\$ 45,379
Transferred Reserves	\$ 300,000	\$ 3,000
Cash Escrow Transfers	\$ 50,000	\$ 500
Deferred Developer Fee	\$ 415,571	\$ 4,156
LOCs	\$ 550,000	\$ 5,500
Owner Cash	\$ -	\$ -
Owner Equity	\$ 750,000	\$ 7,500
Total	\$ 11,853,500	\$ 118,535

Operating Summary

	Total	Per unit	% of Total
Rental & Anclyry Income	\$ 960,000	\$ 9,600	100.0%
Vacancy Loss	\$ (57,600)	\$ (576)	-6.0%
Net Commercial Income	\$ -	\$ -	0.0%
Annual Residential Expenses (excl R4R)	\$ (535,000)	\$ (5,350)	-55.7%
Annual Reserve for Replacements	\$ (25,000)	\$ (250)	-2.6%
Net Operating Income:	\$ 342,400	\$ 3,424	35.7%
Debt Service incl MIP	\$ (288,165)	\$ (2,882)	-30.0%
Cash Flow	\$ 54,235	\$ 542	5.6%

Debt Service Coverage Ratio:	118.8%	Est Gross Income	\$ 902,400
		Comm. Percent	0.0%
		Exp. Ratio	62.1%

Unit breakdown

	Avg. Sq. Ft.	# of Units	Avg. rent
Studios	0	0	\$0.00
One Bedroom	0	0	\$0.00
Two Bedroom	850	100	\$800.00
Three Bedroom	0	0	\$0.00
Four or more Bedroom	0	0	\$0.00
Non-revenue units	0	0	\$0.00
Total Units	850	100	\$800.00

Tax Credit Rents % below of Market Rents:	11.00%	Mkt NOI/Crit5 NOI	117.6%
-------------------------------------------	--------	-------------------	--------

FHA Mortgage terms		Annual/unit	Monthly/unit
FHA Mortgage	\$ 5,000,000	Avg rent (rev units) \$9,600	\$800
Term	420	Avg rent psf (rev units) \$11.29	\$0.94
Coupon	4.0000%	PUPA Exp (all units) \$5,600	\$467
MIP	0.4500%	Debt Svc (all units) \$2,882	\$240
Curtail rate (calc't'd)	1.3133%	Cash Flow after FHA mtg (all units) \$542	\$45
Annual All-in cost	5.7633%		
Ann Debt Service	\$ 288,165		
Note: mnthly P&I excl tv	\$ 22,139		





HUD'S TAX CREDIT PILOT WEBSITE

THURSDAY, NOVEMBER 08, 2012

HUD.GOV
U.S. Department of Housing and Urban Development
Secretary Shaun Donovan

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FHA Housing Tax Credit Pilot Program

- List of Participating Lenders
- Housing Notice 2012-1
- Mortgagee Letter 2012-1

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FHA Housing Tax Credit Pilot Program

- ▶ List of Participating Lenders
- ▶ Housing Notice 2012-1
- ▶ Mortgagee Letter 2012-1
- ▶ Processing Guide and Flowchart
- ▶ Appendix A – Project Eligibility Checklist
- ▶ Appendix B – Lender's Narrative
- ▶ Appendix C1 – Wheelbarrow Instructions
- ▶ Appendix C2 – Wheelbarrow

Federal Housing Administration
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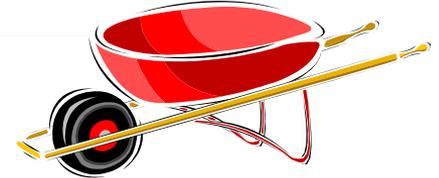
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OUR GOAL AND YOURS: EXPEDITIOUS APPROVAL OF WELL-UNDERWRITTEN PROJECTS



Tax Credit Pilot Executive Summary

Project Name Tax Credit Manor
City, State Lake Wobegon / Midwestia / 12345

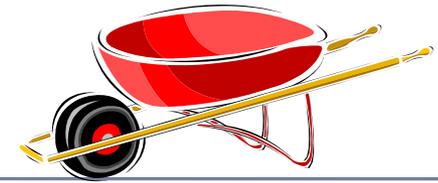
Approved

	<u>Total</u>
FHA Mortgage	\$ 5,000,000
Non-FHA debt	\$ 250,000
Grants	\$ -
Tax Credit Equity	\$ 4,537,929





THE WHEELBARROW



For more information, and help, contact:

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