

CASE STUDY

MAGNOLIA TRACE APARTMENT HOMES / WATERVIEW AT SUGAR MILL POND
\$6,778,300 / \$15,785,600 | March 2017 | Alexandria, LA / Youngsville, LA



32 DAYS AFTER SUBMISSION TO HUD SIMS MORTGAGE FUNDING (SMF) REFINANCES 2 MULTIFAMILY RENTAL PROPERTIES IN LOUISIANA TOTALING \$23.4 MILLION



Magnolia Trace Apartment Homes



Waterview at Sugar Mill Pond

PARTNERED RIGHT

SMF recently closed \$6,778,300 and \$15,785,600 in loans for Vintage Realty Company for its Magnolia Trace and Waterview at Sugar Mill multifamily properties in Alexandria and Youngsville, LA. Each loan had a high interest rate relative to current market conditions; however, the volatility of the market required that the refinancings be completed as expeditiously as possible.

STRUCTURED RIGHT

SMF underwrote two refinancing loans, insured under the HUD Section 223(a)(7) program, which features an expedited application and underwriting process. For the Magnolia Trace application, SMF obtained a key waiver from HUD, eliminating the need for a Project Capital Needs Assessment. This saved loan closing costs, shortened the timeframe to complete the application by approximately 30 days and froze Magnolia Trace's annual deposit to its reserve fund for replacements at its current amount.

EXECUTED RIGHT

Waterview was approved by HUD in 16 days and Magnolia Trace 16 days later. The GNMA securities issued for the loans that were being prepaid require interest to be paid through the end of the month, regardless of when the loan is paid off. By coordinating the closings of the new loans on the same day on the last day of the month, SMF eliminated the "double payment" of interest on the loans being refinanced and the new loans. Closing two loans on the same day also minimized the client's legal costs.

FINANCED RIGHT®

By moving quickly to complete the Section 223(a)(7) loan applications and obtaining HUD approvals on a timely basis, SMF delivered two effective refinancings for its longstanding client, Vintage Realty Company. The combined interest savings will be approximately \$4,650,000 over the new loan terms; annual cash-flow savings on a combined basis is approximately \$210,000.

The Magnolia and Waterview at Sugar Mill loans are the 21st and 22nd loans SMF has closed for Vintage.

For more detailed information on how **Magnolia and Waterview** was Financed Right® by HJ Sims and Sims Mortgage Funding, please contact:

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