

CASE STUDY

MARIEN-HEIM OF SUNSET PARK
\$7,035,000 | June 2021 | Brooklyn, NY



We have had the pleasure of working with Kerrie Tomasiewicz and her colleagues at Sims Mortgage Funding on two key refinancing projects for Marien-Heim of Sunset Park, a federally funded, not-for-profit senior housing complex in Brooklyn, NY. Their work on our behalf was invaluable. They made the process as smooth as possible. I think the one key to our thinking about Sims is that we would use their services again without any hesitation. They were knowledgeable, honorable, and honest at every step along the way.

- *Robert J. Walsh, President and Chairman of the Board
Marien-Heim of Sunset Park*

SIMS MORTGAGE FUNDING USES NOTE MODIFICATION TO REFINANCE AGAIN AN AFFORDABLE ELDERLY HOUSING COMMUNITY IN BROOKLYN.

PARTNERED RIGHT

In 2012 we originated an \$8,313,000 FHA-insured Section 223(f) loan that refinanced its Section 202 Direct Loan, funded capital reserves and repairs, earned the Sponsor a development fee and generated annual debt service savings.

Interest rates had declined since the original refinancing, providing Marien-Heim with the opportunity to generate additional debt service savings. We advised them of this positive development in the market and suggested a refinancing structured under HUD's Mortgage Note Modification/Interest Rate Reduction (IRR) protocol.

STRUCTURED RIGHT

Acting as Financial Advisor, we developed the initial financial modeling of the transaction and coordinated the development of the formal IRR proposal with the existing loan servicer, whom we brought into the 2012 refinancing. HUD approved the IRR proposal in about 75 days and the loan closed 29 days later.

EXECUTED RIGHT

The IRR reduced Marien-Heim's interest rate by 28% and will generate debt service savings of approximately \$48,000 through the remaining term of the loan. The net present value of debt service savings exceeded the

transaction costs by 7.5 times and was 12.1% of the unpaid principal balance of the existing loan.

FINANCED RIGHT®

Debt service savings will be used to increase deposits to the existing reserve fund for replacements, ensuring that future capital needs will be adequately met. The Marien-Heim IRR, completed 9 years after our initial refinancing, is another example of SMF maintaining long-term relationships with our clients and delivering to them ongoing value.

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

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HJ Sims is a member of FINRA/SIPC and is not affiliated with Marien-Heim of Sunset Park. Sims Mortgage Funding is a wholly owned subsidiary of HJ Sims & Co Inc.