

CASE STUDY

THE MONROE

\$9,247,200 | February 2022 | Lafayette, LA



SIMS MORTGAGE FUNDING (SMF) CLOSES COMPLEX CONSTRUCTION LOAN FOR MULTIFAMILY RENTAL HOUSING IN LAFAYETTE, LA



We could not have navigated the complicated HUD 221(d)(4) process without Sims Mortgage Funding. Even with all the obstacles created by COVID, Kerrie Tomasiewicz was thorough, relentless, and got the loan closed. Their knowledge of the HUD processes, their experience, and their strong contacts make them a “go to” in the field of HUD loans.

*- Rebekke Miller, Program Coordinator
Louisiana Public Trust Financing Authority*

PARTNERED RIGHT

Vintage Realty Company, a major regional developer and property manager headquartered in Shreveport, LA, was selected by the **Louisiana Public Trust Financing Authority** to develop a 70-unit multifamily rental property in Lafayette. The Monroe will be part of a downtown revitalization effort and will provide new housing options for a growing workforce of young professionals. The LPTFA is a governmental entity that supports the City of Lafayette through a range of finance-related programs and community involvement efforts. Given Vintage's preference for long-term, fixed-rate financing and 20-year history of working with **Sims Mortgage Funding**, they turned to us to obtain HUD-insured construction and permanent financing.

STRUCTURED RIGHT

Increasing construction costs fueled by labor and material shortages posed major a challenge to the deal. By underwriting the loan at an interest rate higher than market conditions and using market rent comparables that maximized net operating income, we were able to offset a material amount of the higher project costs by increasing loan proceeds. Moreover, to keep the annual mortgage insurance premium to HUD's lowest level of .25%, The Monroe was designed to meet green building standards. As a result, the Project has an annual mortgage insurance premium .40% lower than the typical program premium.

EXECUTED RIGHT

The \$9,247,200 loan was insured under the Section 221(d)(4) program and was underwritten to a 76% loan to replacement cost ratio and a 1.176 debt service

coverage. It will have a 40-year amortization that commences approximately 17 months after the completion of construction.

FINANCED RIGHT®

SMF successfully obtained construction and permanent financing for a start-up project at a competitive, fixed, long-term interest rate, and on better terms than were available through commercial financing options. The Monroe financing was completed in a very challenging environment of increasing interest rates and inflationary construction costs, but Sims Mortgage Funding was able to keep all parties focused, on track and ultimately led the team to the closing table.

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

Kerrie Tomasiewicz
201.307.9383
ktomasiewicz@sims mortgage.com

hjsims.com
sims mortgage.com

*HJ Sims is a member of FINRA/SIPC®
and is not affiliated with The Monroe*

*Sims Mortgage Funding is a wholly owned
subsidiary of HJ Sims & Co Inc.*