

UNDERWRITING COMPARISON MATRIX

Underwriting Standards are subject to change. Applicants are responsible for verifying current underwriting standards.

| | ISG | Minnesota Housing | GMHF Met Council IHA FHF | Hennepin County AHIF & HOME | St. Paul | Minneapolis AHTF | Ramsey |
|---------------------------------|---|---|--------------------------------|--------------------------------|---|------------------|---------------------------|
| Mgmt and Operating Costs | \$450-\$550/unit/month including utilities and property insurance, not real estate taxes. Asset Mgmt Fee: up to \$25/unit/month, minimum of \$5,000 annually Property Mgmt Fee: up to \$60/unit/month based on size of development. | See Multifamily Underwriting Guidelines | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as ISG | same as Minnesota Housing |
| Vacancy | 5%-10% | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as ISG | same as Minnesota Housing |
| Property Taxes | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | same as Minnesota Housing |
| Replacement Reserves | Initial Deposit: determined after review Ongoing deposits \$200-\$250/unit/yr. | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as ISG | same as Minnesota Housing |
| Debt Coverage Ratio | 1.05 to 1.25 | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as ISG | same as Minnesota Housing |
| Development Cost Escrow | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | same as Minnesota Housing |
| Construction contingency | 7% - 10% | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | Generally 5-10% | same as Minnesota Housing |
| Working Capital Escrow | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | same as Minnesota Housing |
| Rent-up Escrow | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | same as Minnesota Housing |
| Developer Fee Limits | 15% - 1st 30 units 8% units 31 and over | | same as Minnesota Housing | same as Minnesota Housing | Lesser of \$8,500 / unit or 10% of TDC less cost of acquisition for first 30 units of Rehab; lesser of \$6,375 /unit or 10% of TDC less cost of acquisition for units 31-150 of Rehab; \$8,500/unit for first 50 units of New Construction; and \$6,375/unit for units 51-150 of New Construction. | same as ISG | same as Minnesota Housing |

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| Architect Fee Limits | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | same as Minnesota Housing |
| Contractor Profit | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing |
| General Requirements | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing |
| Contractor Overhead | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing |
| Developer as Contractor | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing |
| LTH Housing Rental Assistance | N/A | | N/A | same as Minnesota Housing | same as Minnesota Housing | N/A | N/A |
| LTH Operating Costs | N/A | | same as Minnesota Housing | same as Minnesota Housing | same as Minnesota Housing | N/A | N/A |
| Income trend factor | 2% to 4% | | N/A | N/A | N/A | same as ISG | N/A |
| Expense trend factor | 2% to 4% | | N/A | N/A | N/A | same as ISG | N/A |
| Operating Reserve | Generally, 2 months of debt service and operating expenses to accommodate for sustaining breakeven | | N/A | N/A | N/A | N/A | N/A |