

Constant Annual Percent / Loan Amortization Schedules

Years	10	15	20	25	30	35	40	Years
Rate								Rate
5.000%	12.728%	9.490%	7.919%	7.015%	6.442%	6.056%	5.786%	5.000%
5.125%	12.801%	9.568%	8.003%	7.103%	6.534%	6.152%	5.886%	5.125%
5.250%	12.875%	9.647%	8.086%	7.191%	6.626%	6.249%	5.986%	5.250%
5.375%	12.949%	9.726%	8.170%	7.280%	6.720%	6.346%	6.088%	5.375%
5.500%	13.023%	9.805%	8.255%	7.369%	6.813%	6.444%	6.189%	5.500%
5.625%	13.098%	9.885%	8.340%	7.459%	6.908%	6.543%	6.292%	5.625%
5.750%	13.172%	9.965%	8.425%	7.549%	7.003%	6.642%	6.395%	5.750%
5.875%	13.247%	10.045%	8.511%	7.640%	7.098%	6.742%	6.498%	5.875%
6.000%	13.322%	10.126%	8.597%	7.732%	7.195%	6.842%	6.603%	6.000%
6.125%	13.398%	10.207%	8.684%	7.824%	7.291%	6.943%	6.707%	6.125%
6.250%	13.474%	10.289%	8.771%	7.916%	7.389%	7.045%	6.813%	6.250%
6.375%	13.550%	10.371%	8.859%	8.009%	7.486%	7.147%	6.919%	6.375%
6.500%	13.626%	10.453%	8.947%	8.102%	7.585%	7.250%	7.025%	6.500%
6.625%	13.702%	10.536%	9.035%	8.196%	7.684%	7.353%	7.133%	6.625%
6.750%	13.779%	10.619%	9.124%	8.291%	7.783%	7.457%	7.240%	6.750%
6.875%	13.856%	10.702%	9.214%	8.386%	7.883%	7.561%	7.348%	6.875%
7.000%	13.933%	10.786%	9.304%	8.481%	7.984%	7.666%	7.457%	7.000%

Key Formulas

Debt Service

$$D/S = \text{Loan Amount} \times c \text{ (or constant)}$$

Debt Coverage Ratio

$$DCR = \frac{\text{Net Operating Income (NOI)}}{\text{Debt Service (D/S)}}$$

Fair Market Value

$$FMV = \text{Net Operating Income (NOI)} \times \text{Cap Rate}$$

Loan to Value Ratio is the % of FMV the Bank will loan to

Return on Investment

$$e = \frac{\text{cash flow}}{\text{owner equity}}$$

Upstairs Downtown
Colfax Case Study - 112-14 North Walnut
1-Feb-12

Sources and Uses			
Sources	Project Costs	Rehab T.C.	Notes:
Owners Equity			How much is the owner willing to invest in the project
State of Iowa Main Street			\$80,000 grant has been received to stabilize the structure
Colfax CDBG			City has \$500,000 to deploy but problems wit use of money
Loan 1 _____			Who is lending today? Credit Unions, USDA, FHA, Greenstone
Loan 2 _____			Economic development programs - regional agencies
Grant 1 _____			Community Foundations, Casino Foundations
Grant 2 _____			
Total All Sources			
Uses			
Purchase			Additon of parking or rear access
Site Costs			Providing off-street parking
Renovation Expenses			Hard construction costs to renovate and
Contingency			Range from 10-20% of total costs
Furniture, Fixtures, & Equipment			Kitchen and laundry appliances
Soft Costs			
Architectual & Engineering			Design services
Insurance			Builders Risk during construction
Appraisal			Needed to complete loan and grant applications
Permit Fees			Building permit fees
Accounting			Higher if applying for tax credits or IFA program funding
Legal			Higher if applying for tax credits or IFA program funding
Loan / Grant Application Fees			Some funding sources charge fees to make application
Total Uses			

**Upstairs Downtown
Colfax Case Study 112-114 North Walnut
Febraury 1, 2012**

Project Pro Forma	Income	Expense	Notes
Income			
Gross Rent			Rent collected at 100%
Tenant Contributions			Additional tenant contributions (i.e. utilities, laundry)
Gross Income			Total paid by tenats
(Less Vacancy Rate)			Adjustment for vacancy and uncollectible rents
Effective Gross Income			Actual rent and tenant collections collected
Expenses			
Taxes			Research with county or township assesor to determine taxes
Insurance			Varies greatly depending upon agent, company experience
Maintenance			Common area, changing filters, shoveling snow etc.
Utilities			Who pays tenant or landlord?
Management			Self management of management by 3rd party (10%)
Reserves			Carpet needs replacement, appliance and furnaces wear out
Total Expenses			
Net Operating Income			
Debt Service			
Loan 1			
Loan 2			
Cash Flow After Debt Service			