

SUBSIDY LAYERING REVIEW MEMORANDUM
Month, Day, Year

This Memorandum is issued to give notice to United States Department of Agriculture (USDA) and/or the United States Department of Housing and Urban Development (HUD) that the Michigan State Housing Development Authority (MSHDA) has conducted a Subsidy Layering Review (SLR) pursuant to and in compliance with the Procedures, Terms, and Conditions as outlined in the Memorandum of Understanding (MOU) dated September 29, 2011. The information contained in this Memorandum highlights the analysis and determination that has been made as a result of the SLR that has been conducted. Pursuant to the MOU, USDA and/or HUD will have a period of 10 working days from the date of receipt of this Memorandum to provide consent to the determination that was reached by the SLR (as detailed below) or to provide notice of their disagreement with the determination below and to offer possible alternative solutions. If nothing is received in response to this Draft SLR Memorandum before the expiration of 10 working days from the date listed above, this SLR Memorandum will be finalized.

OWNER INFORMATION (Limited Partnership/Limited Liability Company):

1. Legal Name of Owner _____ Taxpayer ID _____
 Street Address _____
 City _____ State _____ Zip _____
 Contact Person _____
 Telephone # with Area Code _____ Fax # with Area Code _____
 E-Mail Address: _____

PROJECT LOCATION:

Project Name _____
 Street Address _____
 City _____ Township _____ County _____ State _____ Zip _____
 Will this project be located in the city/village limits? Yes No

TYPE OF CONSTRUCTION (Check applicable category):

- New construction
- Acquisition and rehabilitation

The project has _____ units.

SOURCES OF FUNDS

Source	Amount	Interest Rate	Term	Amortization Period

Number of rental assisted units: _____

CONSTRUCTION CONTRACT ITEMS: (as a percentage of the construction contract as calculated in the SLR Procedures, Terms, and Conditions)

- General Requirements: _____
- Builder's Overhead: _____
- Builder Profit: _____
- Aggregate (if 49 units or less): _____

Has the construction contract GR, BO, BP limits outlined in the SLR Procedures, Terms, and Conditions been adhered to?

- Yes
 No

If no, please explain where there are deviations and the reason(s) for the deviations.

DEVELOPER FEE:

- The total developer fee is \$ _____ which is _____% of the total development cost including reserves required by MSHDA, the lender, or investor, but excluding the developer fee, developer overhead, and developer consulting fee.

Have the developer fee limits outlined in the SLR Procedures, Terms, and Conditions been adhered to?

- Yes
 No

If no, please explain where there are deviations and the reason(s) for the deviations.

EQUITY SYNDICATION PROCEEDS:

- Total Equity Contributed: \$ _____
- Amount of LIHTC Allocated: \$ _____
- Price per dollar for LIHTC: \$ _____

Have the equity syndication proceeds requirements outlined in the SLR Procedures, Terms, and Conditions been adhered to?

- Yes
 No

If no, please explain where there are deviations and the reason(s) for the deviations.

DEBT SERVICE COVERAGE RATIO (DCR):

- Average DCR: _____
- Minimum DCR: _____
- If lower than 1.10, are there sufficient operating reserves to achieve a maintained 1.10 DCR?
 - Yes, there are sufficient operating reserves
 - No, there are not sufficient operating reserves

Have the debt service coverage ratio (DCR) requirements outlined in the SLR Procedures, Terms, and Conditions been adhered to?

- Yes
- No

If no, please explain where there are deviations and the reason(s) for the deviations.

CASH FLOW:

- Average Cash Flow: _____%

Have the cash flow requirements outlined in the SLR Procedures, Terms, and Conditions been adhered to?

- Yes
- No

If no, please explain where there are deviations and the reason(s) for the deviations.

TRENDING/VACANCY:

- *Have the trending/vacancy assumptions outlined in the SLR Procedures, Terms, and Conditions been adhered to?*
 - Yes
 - No

