



# AHIC's 2026 Emerging Leaders Quarterly Webinar

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**Session 1: Underwriting the Team**

March 10, 2026

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**Scott Mullarkey**

TD Bank U.S.

# 1. Role of Underwriting in a LIHTC Transaction

Standard risks in LIHTC:

## Key Questions

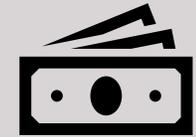
What is underwriting?

How important is the development team?

What protections are in place for the investor?



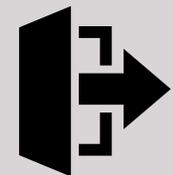
Construction



Operations



Compliance



Exit

## 2. Sponsor / Developer Underwriting

- **Experience of Sponsor & execution track record**
  - LIHTC-specific experience
  - Market and stakeholder familiarity
  - Deliverables & diligence requests
- **Importance of the Development Team**
  - Sponsor/Developer
  - Consultants
  - General contractors
  - Property managers
  - Architects & engineers
  - Environmental engineers
  - Attorneys
  - Social service providers

# 2. Sponsor / Developer Underwriting

- Portfolio / SREO / performance review

SCHEDULE OF REAL ESTATE HOLDINGS



Business Entity or Person: (a) \_\_\_\_\_  
 Project Role: (b) \_\_\_\_\_  
 Date Schedule Prepared: (c) \_\_\_\_\_

LIHTC Properties (Including Mixed Finance)																																					
(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)	(am)		
Property Name	City	State	# Units	Rental or For Sale	Property Type	Other Non-LIHTC Housing Program	Syndicator / Direct	Total LIHTC Equity	Construction Complete (%)	Actual PIS (Year)	Expected Stabilization Date (Year)	Current Occup	as of:	YTD Avg Occup	as of:	Projected NOI	Hard Debt Lender	Total Hard Debt	Annual Debt Service	Annual DSCR	Hard Debt Maturity Date (Yr)	Recourse	Fixed / Variable Debt	Hedge Maturity Date	Operating Reserves	as of:	Annual Net Cash Flow	GP Interest	Annual Net Cash Flow to GP	Financial Info Source	Completion Guarantees	ODGs	Other Guarantees	Guarantor(s)	Note #		
Project 1	New York	NY	35	Rental	MF	Sec 8 HAP	Alliant	\$15,000,000	100%	2005	2005	100%	12/31/10	100%	12/31/10	\$350,000	First Bank	\$30,000,000	\$300,000	1.17	2025	No	Fixed-Hedge	12/31/25	\$100,000	12/31/10	\$40,000	0.10%	\$30,000	Audit	\$0	\$0					1
Project 2	New York	NY	25	Rental	MF	Sec 236	BC	\$10,000,000	100%	2005	2005	95%	6/30/10	95%	6/30/10	\$300,000	Second Bank	\$5,000,000	\$250,000	1.20	2023	No	Fixed	NA	\$200,000	6/30/10	\$50,000	0.01%	\$40,000	Non-Audit	\$0	\$0					2
Project 3				Rental	OA				100%																												
Project 4				Rental	OA				100%																												
Project 5				Rental	OA/SN				100%																												
Project 6				Rental	SN				100%																												
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## 2. Sponsor / Developer Underwriting

- **Governance / alignment / decision rights (LPA + partnership dynamics)**
  - Division of responsibilities between co-developers
  - LP rights & approval threshold
  - Investor "replace GP" rights
- **Contracts and agreements of Development Team members**
  - Detail of responsibilities
  - How long are agreements in place
  - Replacement rights & LP approvals

### 3. Standard Guarantees

- **Construction completion guarantee**
  - What does it cover?
  - Key underwriting points
  - Controls & conditions
- **Operating deficit guarantee**
  - Sizing
  - Order of funds per LPA
  - Trigger mechanics & release conditions
- **Tax credit delivery / recapture guarantee**
  - Purpose & underwriting focus
- **Repurchase guarantee**
  - What triggers a repurchase guarantee
  - Underwriting focus & common conditions

## 4. Standard Adjusters

- **Timing adjusters**
  - Downward timing adjuster
  - Upward timing adjuster
- **Basis adjusters**
  - Downward credit adjusters
  - Upward credit adjusters
- **Underwriting considerations**
  - Upward adjuster cap?
  - Yield maintenance pricing?
  - When do you apply adjusters?

## 5. Guarantor Underwriting

- **Identify the guarantor(s)**
  - How are they related to Sponsor / Developer
  - Operating entities or SPE
  - Are they all in for full holding period or specific duration
  - Do they all have the same obligations
- **Guarantor capacity "available" liquidity under stress**
  - Financial review focus
  - Stress-minded questions
  - Common mitigants when guarantor is "thin"



# Thank you.

Scott Mullarkey

TD Bank U.S.

Senior CRA Investment Officer

[scott.mullarkey@td.com](mailto:scott.mullarkey@td.com)