

### Construction Finance HW

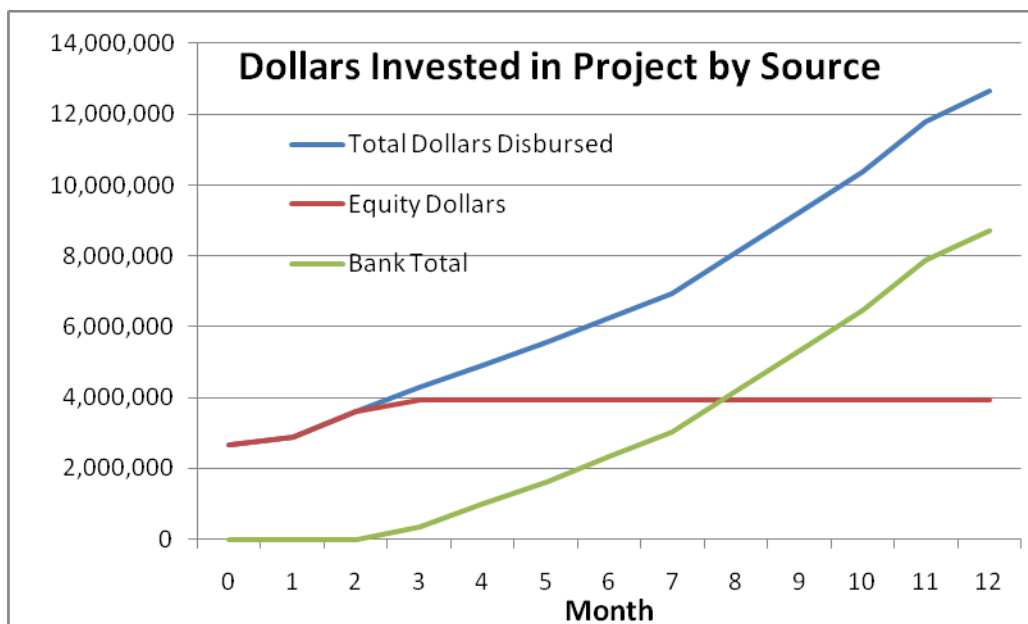
1. Using the Base Case project costs, complete the following table.

Table 1. Construction Interest Cost as a function of Loan Amount and Interest Rate. Note: This table assumes all loans charge 1 point. Two check figures are provided for you.

Loan Amount	4%	6%	8%
6,000,000	104,855		
8,000,000			
10,000,000			
12,000,000			554,327

2. Plot 2 graphs of the cash flows by month for the equity investor and the bank. The graph below is for the base case cash flows. Graph 1 – Use a 6% interest rate and a 6,000,000 loan with one point. Graph 2 – Use a 6% interest rate on an 11,000,000 loan with 2 point.

Figure 1. Dollar investment in project by source.



3. Turn in a printout of the Development Budget Tab, the Constr Timing Tab, and the Constr Finance Tab, for an 11,000,000 loan at 6% with 2 points.