

Active Loan Comparison

Illustrated is an actual comparison to a construction loan which currently has a taxable CFC (Community Finance Corporation) Draw Loan. While we can provide draw options, in this case the client decided to go with a fixed BAN (Bond Anticipation Note) to lock in the rate with no fees. We are saving the client over \$1 million in interest costs over the life of the USDA Bond.

CFC - Community Finance Corporation (also known as National Rural Utilities Cooperative Finance Corporation)					MCM Option - Funds Escrowed at Closing		
Funding Provided	\$	20,000,000			Funding Provided	\$	20,000,000
Construction Int.		4.25%			Construction Int Rate		3.250%
Fee		0% (not sure if there was a fee for the CFC loan)			Escrow Investment Rate		0.02%
Construction in Months		24			No Fees		
Total Loan w/ Fees		20,000,000					
Draw Down Option					MCM Construction Funding Using Escrow		
Draw #	% of Project	Draw Amount	Cumulative Draw	Draw Interest	Remaining Deposit	Fixed Interest	Escrow Earnings
1st Draw + Origination	10%	\$ 2,000,000	\$ 2,000,000	\$ 7,083	\$ 18,000,000		\$ 300
1	3.75%	\$ 750,000	\$ 2,750,000	\$ 9,740	\$ 17,250,000		\$ 288
2	3.75%	\$ 750,000	\$ 3,500,000	\$ 12,396	\$ 16,500,000		\$ 275
3	3.75%	\$ 750,000	\$ 4,250,000	\$ 15,052	\$ 15,750,000		\$ 263
4	3.75%	\$ 750,000	\$ 5,000,000	\$ 17,708	\$ 15,000,000		\$ 250
5	3.75%	\$ 750,000	\$ 5,750,000	\$ 20,365	\$ 14,250,000		\$ 238
6	3.75%	\$ 750,000	\$ 6,500,000	\$ 23,021	\$ 13,500,000		\$ 225
7	3.75%	\$ 750,000	\$ 7,250,000	\$ 25,677	\$ 12,750,000		\$ 213
8	3.75%	\$ 750,000	\$ 8,000,000	\$ 28,333	\$ 12,000,000		\$ 200
9	3.75%	\$ 750,000	\$ 8,750,000	\$ 30,990	\$ 11,250,000		\$ 188
10	3.75%	\$ 750,000	\$ 9,500,000	\$ 33,646	\$ 10,500,000		\$ 175
11	3.75%	\$ 750,000	\$ 10,250,000	\$ 36,302	\$ 9,750,000		\$ 163
12	3.75%	\$ 750,000	\$ 11,000,000	\$ 38,958	\$ 9,000,000		\$ 150
13	3.75%	\$ 750,000	\$ 11,750,000	\$ 41,615	\$ 8,250,000		\$ 138
14	3.75%	\$ 750,000	\$ 12,500,000	\$ 44,271	\$ 7,500,000		\$ 125
15	3.75%	\$ 750,000	\$ 13,250,000	\$ 46,927	\$ 6,750,000		\$ 113
16	3.75%	\$ 750,000	\$ 14,000,000	\$ 49,583	\$ 6,000,000		\$ 100
17	3.75%	\$ 750,000	\$ 14,750,000	\$ 52,240	\$ 5,250,000		\$ 88
18	3.75%	\$ 750,000	\$ 15,500,000	\$ 54,896	\$ 4,500,000		\$ 75
19	3.75%	\$ 750,000	\$ 16,250,000	\$ 57,552	\$ 3,750,000		\$ 63
20	3.75%	\$ 750,000	\$ 17,000,000	\$ 60,208	\$ 3,000,000		\$ 50
21	3.75%	\$ 750,000	\$ 17,750,000	\$ 62,865	\$ 2,250,000		\$ 38
22	3.75%	\$ 750,000	\$ 18,500,000	\$ 65,521	\$ 1,500,000		\$ 25
23	3.75%	\$ 750,000	\$ 19,250,000	\$ 68,177	\$ 750,000		\$ 13
24	3.75%	\$ 750,000	\$ 20,000,000	\$ 70,833	\$ -		\$ -
	100%	\$ 20,000,000			Construction Interest Due	\$ 340,568	\$ 3,750
Total Interest Accrued During Construction - Draw Down				\$ 973,958	Net of Interest Income	\$ 336,818	
					Difference		
					\$ 637,140	Construction Interest Savings With MC	
					\$ 1,147,565	Total Cash Savings Over Long Term 40 Year USDA Bond @ 3.25%	