

APRIL 2023



FRATERNAL

HOUSING ASSOCIATION

President's Message

Here we are in the final quarter of the school year. The days are getting longer and lighter, spring break is upon us and the summer is right around the corner. There's nothing like deferred maintenance to make the heart pumping. While the rest of the headquarters' staff is winding down their year, those of us in housing are just beginning to gear up for a season of repairs, renovations and reimagining. Making less go farther is a popular mantra these days. With less students coming through recruitment in many areas of the country and just as many beds to fill our aging properties need some strategic planning.

We're thankful in FHA to have so many amazing business partners who are constantly bringing us the latest trends and products to assist in our projects as well as our fellow housing colleagues who share their own solutions to common struggles. Whether it's fundraising, selling or leasing property, new technologies or good old documentation please be sure to reach out to the folks on our list serv to network and share best practices and housing tips. We want to continue to be a resource that brings news and information as well as the experts in all areas of Greek housing together to benefit all of us. Thanks for all you do to make living in a fraternity or sorority house a truly memorable experience!

Mandy Reymann, Delta Gamma FHC



The Board

Mandy Reymann | President
Greg Somers | Treasurer
Casey Keller | Conference Chair
John Reineke | Engagement Chair
Kayla Hagerty | Communications Chair
Rob Derdiger | Past President
Erin Stachowiak | Strategic Partner Liaison



fraternalhousinginc@gmail.com



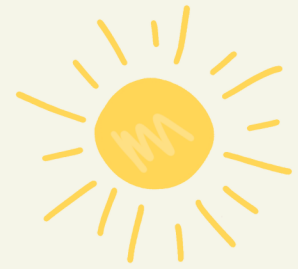
<https://fraternalhousing.org/>



2230 Stafford Rd., Suite 115
Plainfield, Indiana 46168

FRATERNAL HOUSING ASSOCIATION

CONFERENCE 2023 SNEAK PEEK



As we look towards Fall 2023 the FHA Conference Planning Committee has been busy working on the presentation schedule for the conference. We have looked at what are hot topics experienced in today's college student environment impacting housing with mix of organizations and partners presenting focusing on covering learning objectives identified. We are also hoping to have a few sessions that offer 2 separate tracks to choose from to ensure you have exposure to a topic that peaks your interest. Presenter invites will be sent out soon.



September 17-20, 2023

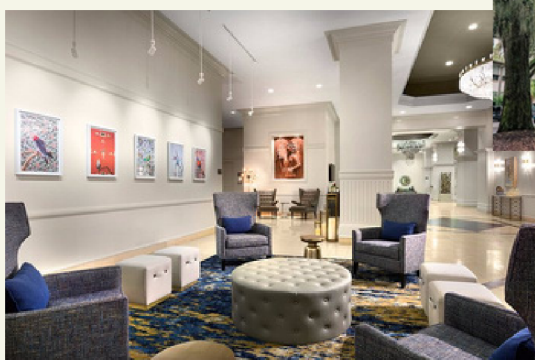
DeSoto Hotel in Savannah, Georgia

Registration will be \$160/person for HQ staff members.

Strategic partner registration will be \$1600/company for 2 attendees which includes sponsorship. \$150/person for additional attendees of strategic partners.

Registration will open online this summer so keep an eye out for more details and registration information.

Feel free to explore our [website information](#) about the conference!



**B E P R E P A R E D
A L O O K A T T H E I N T E R E S T
R A T E M A R K E T**

For those of you who attend FHA Housing Seminars, you are aware that loan structures for our chapter houses are similar to multifamily/apartment deals, but the loan rate which determines the monthly loan payment is not. This is because loans secured on our chapter houses are not secondary market eligible. A deeper dive to explain the secondary mortgage market: it is a platform within which mortgage lenders and investors buy and sell mortgages. The secondary mortgage market provides participants the opportunity to trade the risk associated with the loan. A commitment to sell at a particular yield lock in the rate for closing.

You will be unaware this activity has happened because the servicing of your loan (payment billing and amortization, real estate tax and property insurance payment) oftentimes remains with the lender who closed your loan.) Mortgage loan rates are set by the secondary market, but again, not for our loans. So, if secondary market financing is not available for our chapter house projects, what is our outlook for interest rates?

Whereas the direction of rates on the 5- and 10-year Treasuries might foretell the direction of rates offered to finance projects for our chapter houses, the maturity and the opportunity to reprice the loan during the maturity is totally subjective: the loan is held in the lender's portfolio and so the cost of funds is important as well. As the Federal Reserve increases or decreases rates, lenders who offer to finance chapter house projects will do so as well, but the lenders interested in financing our projects will also look at the internal cost of their funds, which is also influenced by the rate they pay their depositors. If a bank has to pay more to attract your savings, they will increase their loan rates to more closely match the savings rate.

The Federal Reserve began interest rate increases in March 2022. Since then, rates have increased nine times and another increase is expected in May. The reason for the aggressive action is inflation; the Federal Reserve has two mandates: low unemployment and inflation at or below 2%. By increasing rates, the Fed hopes to bring inflation down.

For the last year, loan rate volatility has made planning for chapter house projects a crap shoot. Rates cannot be forecast with any degree of certainty. Therefore, what must be considered when you know a chapter house project is on the horizon is what amount of payment can you afford. A pro forma will help with this. Do not start a chapter house project without knowing your Net Operating Income. Lenders want the annual loan payment 20% LESS THAN Net Operating Income; so, be sure to apply this haircut before determining how much of a loan your project qualifies for.

Being aware of current loan rates is helpful when you are planning a chapter house project. But being prepared to move forward with actually securing financing at a rate and loan program that is affordable must be your goal. There will be dips and increases in the interest rate market. Having a pro forma along with the other documents a lender needs: IRS 990s, Income Statements, Balance Sheets, Articles of Incorporation, Bylaws, etc. increases your chance of reacting quickly to the rate you need.

Local lenders are probably the best place to secure pricing for loans on our chapter houses. Community banks and smaller regional banks are looking for a relationship, which we clearly provide. In a way, our house corporations and national housing entities are "mission driven" to maintain and sustain our chapter houses for the long term. As I've said, our chapter houses reflect our brand; community banks and smaller regional banks get that.

Lastly, don't be afraid to ask the lender for a lower rate after you've received your term sheet. Remember, our lenders are holding these loans in their portfolio, and they can be more nimble with loan pricing than a transaction in the secondary market where there is actually a commitment to sell to an investor at a particular yield.

FRATERNAL HOUSING ASSOCIATION

SUTHERLAND HOUSE DIRECTORS INSTITUTE

LATEST
NEWS

Our houses are changing. The students who call them home are as well. It's a lot, especially for the house directors who support the structure and our students every single day. If you're looking for an opportunity to help equip your house director with tools for today, and ensure they are growing personally and professionally, please consider sending him/her to the Shelley Sutherland House Directors Institute this summer. The premier educational opportunity for house directors, the Sutherland Institute features an industry-best speaker lineup and content that helps our community's onsite professionals better understand how to support the ever-changing needs of the home as well as those who live in it.



June 25-28, 2023
Charlotte, North Carolina

Visit

www.csladvance.com/conference

to learn more or contact

Scott Fussell at

scott@cslmanagement.com

join us

GREEK HOUSING CONFERENCE RECAP

Elevate IMS hosted the 12th Annual Greek Housing Conference (GHC) on March 18, 2023. The event was held on the Georgia Tech campus in partnership with the Center for Student Engagement. The GHC is a free day-long best practices conference designed for fraternity and sorority volunteers and professionals on all aspects related to chapter housing and alumni volunteers.



Many FHA members were in attendance, and several served as conference presenters. Consider inviting your local house corporations and national housing board volunteers to attend next year.



For more information and be added to the distribution list, please contact

Brian Bates at bbates@elevateims.com or online at

<https://www.elevateims.com/contact-us/>



FRATERNAL HOUSING ASSOCIATION



NEXT:

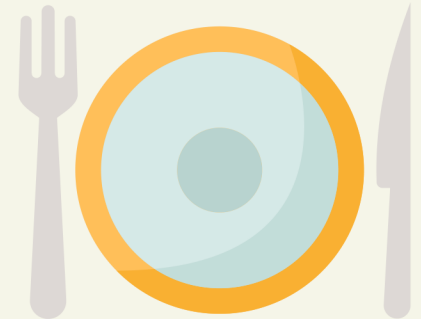
Lunch & Learn: Water Leak Detection Systems

Many of us experienced significant losses at Greek properties this past winter. Some fared better than others thanks to water leak detection systems that have been installed. Colin Close of Beta Theta Pi and Kayla Hagerty of Richmond Property Group will lead an active discussion about the various systems out there from pros and cons to installation to system management to the debate of adding water sensors.

Wednesday, April 19 at 12pm ET

via Zoom

<https://us06web.zoom.us/j/86132456781>




Recap:

Lunch & Learn: Fixtures & Trends- Do's and Don'ts




In February, Amanda Malchiodi of Luminaut Rowland and Erin Stachowiak of TreanorHL shared with us their expertise on fixtures and furnishings for a fraternity/sorority house. They highlighted do's and don'ts for furnishings to make spaces flexible, design trends you shouldn't fall for, and aspects of interior design consideration for a project.

Flexibility of Spaces

- Combining Spaces
 - Dining & Chapter rooms
 - Study & Lounge spaces
 - Laundry & Kitchenette
- Movable furniture w. proper furniture glides
- Dining tables & Stacking chairs
- Picture Rail
- TV Placement






Picture Rail





Types of Interior Designers

Commercial Interior Groups	
PROS	CONS
Higher level of coordination w/design team (Arch, Engineers,GC)	Potentially higher fees
Availability is greater	Not always local
Full service	May not work on smaller scope project
Potential warehouse furniture stock available to avoid long lead times	May not have some design team from start to finish

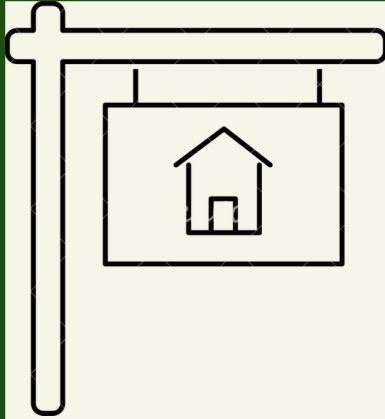


DO's of Design

- DARK PAINT IS OK!



FRATERNAL HOUSING ASSOCIATION



Looking for a Property or Subleser?

FHA's Listing Service is available by completing the Property Listing/Needs form.

Complete the form [here](#) for each campus inquiry.

View all of the listings available [here](#) including...



- Auburn
- Central Michigan
- Cornell
- Georgia
- Iowa
- Kentucky
- Marshall
- Maryland
- Minnesota Twin Cities
- Virginia
- Wisconsin Madison
- Washington State
- West Virginia

View Previous FHA IO Group Listserv Convo Resources

FHA hosts what many to believe is one of the most valuable resources of the association: the FHA IOGroup Listserv.

This is only available for those who are staff members of national organizations.

Did you know you can find resources from previous IOGroup conversations? You can log in at <https://groups.io/login> and go to the Messages tab. Contact FHA if you would like to be added to the listserv.

