



Oregon Housing & Community Services Homeownership Development Clarification

Clarification regarding an error in the Pro Forma Demo

During the Proforma Training session on January 23, 2025, an issue was encountered during the live demonstration of the Uses page of the Application Workbook. The demonstration resulted in a net profit of 11%, which is above the allowable maximum profit. We reduced the Developer Fee line item in an attempt to reduce the net profit, but despite the change, there wasn't a reduction in the net profit amount or percentage. During the training, we mentioned there was an error and would remedy this in the future to calculate the percentage properly.

After looking into the problem, the Net Profit calculation is working as intended and does not need to be changed. The net profit calculation considers all of your sources against all of your uses and loan payments. By reducing the Developer Fee line item, the profit still exists, it is just not assigned to a specific Use.

If you encounter a similar situation in which you need to reduce your net profit, rather than reduce the Developer Fee line item, please consider reducing your sales prices or the amount of LIFT that you are requesting. This will help bring you in line with OHCS requirements.

Last updated: date

