

Michael Flaherty

Director, Equity Underwriting, Boston Financial

Closing a Low-Income Housing Tax Credit (LIHTC) deal on time requires commitment, accuracy, and good client service, something Michael Flaherty, Director, Equity Underwriting, knows well in his role at Boston Financial, ORIX USA's affordable housing focused subsidiary.

As we spotlight the Boston Financial Equity Underwriting team this month, Michael discussed moving deals through underwriting and due diligence, contributing to risk management, and the satisfaction of surpassing \$1 billion of LIHTC equity closed in his career to date.



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Describe the Equity Underwriting team and where they fit within Boston Financial.

The Equity Underwriting team is a key part of Boston Financial's LIHTC equity platform and works with teams across the company to provide high quality and complete underwriting of deals for our investor clients.

During the entire pre-closing lifecycle of a LIHTC transaction, we maintain close contact with the Investor Capital and Originations teams as well as with others within the Credit and Underwriting group along with outside legal counsel and an insurance consultant as part of the underwriting process. Given that many of our developer clients are repeat relationships and Boston Financial has a significant portfolio of existing properties, the Equity Underwriting team looks to both the Stabilized and Development Risk Management Asset Management teams for input as part of our efforts to underwrite new transactions.

Explain your specific role and some of the daily projects, considerations, and responsibilities you have.

The main focus of my role is to manage the due diligence and underwriting processes so Boston Financial and our investors are in a position to close LIHTC deals on time to meet various stakeholder and financing-related deadlines and schedules. I rely on each of the other Credit & Underwriting teams to provide their respective subject matter expertise, but I serve as the primary underwriting point of contact for any deal that I am underwriting. I also have the support of an analyst and work closely to train and develop that associate. Client service is essential in my position and I am engaged with external and internal deal participants daily to ensure an efficient flow of information and dealing with challenges as they arise to keep the deal on track for closing. It is a large amount of responsibility since other business functions, including senior management, are relying on the quality and accuracy of the information I provide.

Ultimately, the bulk of our underwriting work is summarized in an investment committee package that is presented to Boston Financial's Investment Committee and provided to our investors for their review.

How has the underwriting team evolved since you've been at Boston Financial, and how has this benefited the firm's risk management culture?

I've seen an increased focus on vetting significant underwriting issues with the Investor Capital team and investors during the Letter of Intent (LOI) negotiations phase of the deal lifecycle. Unforeseen issues do still come up during due diligence from time to time, but with an emphasis on upfront identification of issues, we are better positioning ourselves to provide great service to both our investor and developer clients overall.

As an equity underwriter, you work hand in hand with an Originator. What is that partnership like?

I have worked with Laura Surdel, who is an Originator, for over 10 years. Laura has remained an important resource for me, and over time has trusted me in the underwriting of our deals. This level of trust has been beneficial to my career development, especially as I learn to problem solve different issues that come up in the course of deal placement or closing and due diligence. Laura always considers another solution if the first option doesn't work out, and learning that way of looking at things has helped our partnership grow. In underwriting, anyone can say "no" to take the easy way out – but using creativity to solve problems and a solution that is acceptable to all involved takes skill and is to the benefit of our clients and Boston Financial.

What is a major professional achievement to date?

Last year I surpassed \$1 billion of LIHTC equity closed in my career. I am proud of that milestone since it is significant and did not happen all at once. It feels good to know the work I do each day plays a small, but important role in the creation of affordable housing all across our country.

Tell us about some of the developers you've worked with, and/or any memorable or personally meaningful projects you've helped shepherd through.

Last year, I worked on a complicated acquisition and rehabilitation of some existing apartment buildings in Chicago. This project was meaningful to me because of the complexity of the work I did and the importance of the project to our client, POAH. During the underwriting of the project, there were a number of unique issues that came up related to multiple buildings on different sites all being included in the same transaction. It was a project where nothing along the way went easily, but it's satisfying to look back on it and know that it was worth all the effort!

What are your interests outside of work?

Outside of work, I like spending time with friends and family, and especially on Cape Cod during the summers. I enjoy working outside in my garden, and miss time in my hammock out there during the wintertime. I also like to work out and go for walks. I am very into Boston sports as well as being a UConn Huskies basketball fan. The Huskies played at Madison Square Garden in December and I went to that venue for the first time – what a great game! I also attended several concerts in 2024, including Creed, Post Malone, Pearl Jam, and Kacey Musgraves.



Michael and his brothers enjoy Pearl Jam during their 2024 Dark Matter tour stop in Boston.