

Form RD 3560-20  
(02-05)

FORM APPROVED  
OMB NO.0575-0189

**Multi-Family Housing Transfer and Assumption  
Review and Recommendation**

**I. USDA HAS RECEIVED AN APPLICATION FOR A PRESERVATION TRANSFER AND ASSUMPTION OUTLINED BELOW:**

Name of Project:	(1)
Street Address or Project (w/zip code):	(2)
Name of Project's Current Owner (Transferor):	(3)
Name of Project's Proposed Transferee:	(4)
Expected Date of Transfer:	(5)
Reason for Transfer:	(6)

**II. LOAN INFORMATION**

As of Date: (7) (8) (9) (10) (11) (12)

Lender/Lien Holder	Lien/Promissory Note Date	Original Amount	Current Balance	Current? (yes/no)

Is project eligible to prepay? (13)

Project's restrictive use agreement expires/expired? (14)

**III. PROJECT INFORMATION: (15)**

Family     Elderly     Congregate

Rent Information: (16) (17) (18) (19) (20)

Bedroom size	No. non-income units	No. income units	Current Basic Rent	Post-Transfer Basic Rent	Estimated Market Rent in Area
0 Bedroom					
1 Bedroom					
2 Bedroom					
3 Bedroom					
4 Bedroom					
<b>Total Units</b>					

If HUD subsidized, is project under Plan II? (21)

Tenant Subsidy at project: (22) (23)

	Current	Post-Transfer
USDA Rental Assistance (RA)		
HUD project-based Section 8		
Other:		
Other:		
<b>Total subsidized units:</b>		

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

(see reverse)

PROCEDURE FOR PREPARATION : 7 CFR part 3560.

PREPARED BY : Approval Official.

NUMBER OF COPIES : Original and one copy.

SIGNATURES REQUIRED : Approval Official, Transferees, Transferors.

DISTRIBUTION COPIES : Original to the original transfer docket; copy to Transferee's Field Office case folder.

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**IV. RESERVE ACCOUNT INFORMATION**

Current annual reserve transfer requirements: \_\_\_\_\_ (24) (= \_\_\_\_\_ per unit)

As of: (25)

Current reserve account balance	(26)
Required reserve account balance	(27)
Underfunded balance	(28)

**V. PROJECT CONDITION AND COMPLIANCE INFORMATION**

MFIS Classification: (29)

Date of last supervisory visit: (30)

Date of last walk-about physical inspection: (31)

Date of last compliance review: (32)

Note any accessibility issues unresolved at the project. (33) Estimated cost to correct: (34)

Note any deferred maintenance issues unresolved at the project. (35) Estimate cost to correct: (36)

- (37)  The loan account is current.
- (38)  The reserve account is on schedule, less authorized withdrawals.
- (39)  The taxes and insurance account is on schedule and all outstanding bills paid.
- (40)  The security deposit account is fully funded.
- (41)  There are no outstanding maintenance items.
- (42)  Management is satisfactory.
- (43)  There are no open OIG audit findings or investigations against the borrower or related entities.
- (44)  The borrower and members of the borrower entity are in compliance on all other projects or complying with an approved workout plan for a minimum of 6 months.
- (45)  All necessary repairs to assure that the housing will be decent, safe and sanitary, and other improvements proposed by the applicant to enhance long-term viability of the housing agreed to by USDA.

Last appraised value of project: (46) as of (47)

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**VI. APPRAISAL**

1. The proposed transaction:  
(48)  WILL  WILL NOT prevent or make more difficult the successful operation of this property.  
(49)  WILL  WILL NOT reduce the efficiency of the property.
2. The proposed transaction will affect the value of this property as security of the loan as follows: (50)  
(51)
3. The following  damages or  benefits will result to this property from the transaction: (52)

**VII. OTHER**

- Are transferees occupying the property? (53)
- If any portion of the property is currently leased, the terms and conditions of the lease have been reviewed and the lease is transferable (54)  
to the new owner for the life of the loan if necessary. \_\_\_\_\_
- Explain any change in marital status of transferors since they received the loan. (55)
- Agreement discloses the payment and/or assumption of prior and junior liens. (56)
- The assignment of property insurance and paid unearned premiums is disclosed. (57)
- Distribution of any income from rentals, easements, mineral leases, etc. is disclosed. (58)
- Disposition of existing abstracts of title, owner's title insurance policy or other title evidence is described. (59)
- Expenses to be paid by transferors and transferees are detailed. (60)
- Note any special transfer and assumption approval conditions recommended: (61)

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(63)		(62)					
USE OF FUNDS		PERMANENT SOURCES OF FUNDS:					
Example Apartments transfer to Preservation Associates, LP		SOURCES AND USES OF FUNDS					
		Tax Credit	USDA Assumption	Lender Name	Other	Other	Other
Total Acquisition Cost							
Total Rehab Costs							
Total Relocation Expenses							
Total new Construction Costs							
Total Architectural Costs							
Total Survey & Engineering							
Total Construction Interest & Fees							
Total Permanent Financing Costs							
Total Attorney Costs							
Total Reserve Costs							
Total Appraisal Costs							
Total Contingency							
Total Other Costs							
Total Developer Costs							
<b>TOTAL PROJECT COST</b>							

Balanced

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**(64)**

**Permanent Financing Detail** (for all sources other than USDA and tax credit)

Funding Source	Loan Amount	Interest Rate	Amortization (yrs)	Term (yrs)	Monthly Payment	Indicate if residual receipts, deferred, etc.
Lender Name						
Other						
Other						
Other						

**(65)**

**Interim Financing Detail** (for all sources other than USDA)

Funding Source	Loan Amount	Interest Rate	Amortization (yrs)	Term (yrs)	Monthly Payment	Indicate if residual receipts, deferred, etc.
Community Bank						
Other						

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We further agree that:

(a) Any payments received by USDA (Agency) for application on Agency direct debts secured by the real estate being transferred which are not reflected on the latest transaction record used for determining the amount of the account shall not be applied until after the transfer is completed or disapproved. When the transfer is completed, any funds held in suspense by the Agency will be applied to the transferee's assumed Agency indebtedness.

(b) The total consideration for the conveyance of the security is  
\_\_\_\_\_ \$ **(66)** \_\_\_\_\_

- (c) The transferee will: **(67)**
- (1) Assume an indebtedness to the Government  
\_\_\_\_\_ of \$ \_\_\_\_\_
  - (2) Assume indebtedness  
to \_\_\_\_\_ of \$ \_\_\_\_\_
  - (3) Assume indebtedness  
to \_\_\_\_\_ of \$ \_\_\_\_\_
  - (4) Pay the transferors (as  
equity) \_\_\_\_\_ \$ \_\_\_\_\_

**CERTIFICATION:**

We hereby certify that the information given above concerning agreements between us is correct and is fully understood.

**(68)**

\_\_\_\_\_  
TRANSFEROR/CO-TRANSFEROR DATE

**(69)**

\_\_\_\_\_  
TRANSFEREE/CO-TRANSFEREE DATE

I recommend that this application be approved.

Date \_\_\_\_\_ Recommended by: \_\_\_\_\_ **(70)**  
\_\_\_\_\_  
(Title)

Date \_\_\_\_\_ Recommended by: \_\_\_\_\_ **(71)**  
\_\_\_\_\_  
(Title)

UNITED STATES DEPARTMENT OF  
AGRICULTURE

**INSTRUCTION FOR PREPARATION**

- 1) Insert project name.
- 2) Insert street address of project.
- 3) Insert name of transferor.
- 4) Insert name of transferee.
- 5) Insert the date that the transfer is expected to occur.
- 6) Insert reason for transfer.
- 7) Indicate the “as of” date that the loan information was gathered.
- 8) Insert any loans or liens on project.
- 9) Insert date(s) of any loans or liens.
- 10) Insert the original amount of any loans or liens.
- 11) Insert the current balance of any loans or liens.
- 12) Are loans or liens current? Yes or No.
- 13) State whether loan is eligible to prepay.
- 14) State whether restrictive use provisions have expired or when they will expire.
- 15) Indicate type of project - family, or elderly, or congregate.
- 16) List number of non-income units by bedroom size.
- 17) List number of income units by bedroom size.
- 18) List current basic rent by bedroom size.
- 19) List post-transfer basic rent by bedroom size.
- 20) List estimated market rent the area by bedroom size.
- 21) Indicate if the project is HUD subsidized. If so, is it under Plan II.
- 22) List and total the number of units with each type of subsidy currently.
- 23) List and total the number of units with each type of subsidy as they will occur post-transfer.
- 24) Indicate the current annual reserve account requirement as the required total annual amount and the amount per project unit.
- 25) Indicate the “as of” date of the reserve account verification.

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- 26) List the current reserve account balance on the "as of" date.
- 27) List the required reserve account balance.
- 28) Note underfunded amount if the required amount exceeds current balance.
- 29) Indicate MFIS classification - A, B, C, or D.
- 30) Indicate date when last supervisory visit was performed.
- 31) Indicate date when last walk-about physical inspection was performed.
- 32) Indicate date of last compliance review.
- 33) Indicate any unresolved accessibility issues.
- 34) Insert the cost estimate to correct accessibility issues.
- 35) Indicate any unresolved project deferred maintenance items.
- 36) Insert the cost estimate to correct deferred maintenance items.
- 37) State whether or not the loan account is current.
- 38) State whether or not the reserve account is on schedule, less authorized withdrawals.
- 39) State whether taxes and insurance are on schedule and all outstanding bills are paid.
- 40) State whether the security deposit account is fully funded.
- 41) State whether any maintenance items are outstanding.
- 42) State whether management is satisfactory.
- 43) Indicate any open OIG audit findings or investigations against the borrower or related entities.
- 44) Indicate any non-compliance issues with this project or any other project. Any workout plans are in place 6 months or more.
- 45) Indicate all repairs will assure decent, safe, and sanitary condition and enhance long-term viability of the project.
- 46) Indicate last appraised value of project.
- 47) Indicate date of last appraised valuation.
- 48) Indicate whether or not the proposed transaction will prevent or make more difficult the successful operation of the property.
- 49) Indicate whether or not the proposed transaction will reduce the efficiency of the property.
- 50) Describe how the transaction will affect the value of the property as security of the loan.
- 51) Note whether the transaction will produce damages or benefits.



- 52) Describe the damages or benefits.
- 53) Indicate whether transferees are occupying the property.
- 54) Indicate any terms and conditions of occupancy and lease if property leased by others.
- 55) Describe any changes in marital status of transferors.
- 56) Indicate that loan agreement discloses any payment or assumption of prior and junior liens.
- 57) Indicate the assignment of property insurance and paid unearned premiums is disclosed.
- 58) Indicate the distribution of any income from rental casement, mineral leases, etc. is disclosed.
- 59) Indicate the disposition of existing abstracts of title, owner's title insurance policy or other title evidence is described.
- 60) Indicate disposition expenses to be paid by transferors and transferees are detailed.
- 61) Indicate any special transfer and assumption approval conditions are recommended.
- 62) Amounts of sources of funds are to be listed by individual sources. (i.e. Tax credits, USDA, and other lenders.)
- 63) Specific amounts for uses of funds and listed here according to their source.
- 64) Provide permanent financing sources and the loan detail.
- 65) Provide interim financing detail if applicable.
- 66) Indicate total amount of consideration for conveyance of the security.
- 67) Indicate specific amounts transferee will assume and pay.
- 68) Provide signatures and date of transferor and co-transferor.
- 69) Provide signature and date of transferee and co-transferee.
- 70) Provide date and signature of Rural Development official recommending the transaction.
- 71) Provide date and signature of Rural Development official approving the transaction.