

Form RD 3565-1
(Rev. 6-98)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0174

APPLICATION FOR LOAN AND GUARANTEE
(Multi-family Housing)

RD Case Number

General Information: The "Application for Loan and Guarantee" is to provide information needed for the analysis and loan determination process. Tear at perforations for ease in use. Specific references are made in this application to sections of the Guaranteed Rural Rental Housing regulation. For complete guidance, see 7 C.F.R. part 3565 and related Rural Development (RD) forms.

Part A -- is to be **completed by the applicant**. The original and two copies with attachments will be submitted to the lender.

Part B -- is to be **completed by the lender**. Upon completion, the original and one copy and attachments of parts A and B will be filed with the RD State Office.

PART A - APPLICANT INFORMATION

Instructions to Applicant: Complete items 1 through 20. Submit original and two copies of this application and all supporting documents to the lender. If additional space is required, use an attachment. Additional information may be obtained from any RD Office.

1. NAME: (Show official name without abbreviations unless the abbreviation is a part of the official name. List any trade name after the official name and "d/b/a." Attach a copy of all organizational documents.)

Tax ID Number		Congressional District			
Street			City		County
State	ZIP Code	Telephone Number	Fax Number	Amount of Loan Requested \$	
Project Location: City or County		State			
Site Size		Available Municipal Services	Number of Units	Tax Credits <input type="checkbox"/> Yes <input type="checkbox"/> No	Interest Credit <input type="checkbox"/> Yes <input type="checkbox"/> No
2. TOTAL DEVELOPMENT COST:		Cost per Unit	Avg. Rent/Unit	Area Median Income	Average Area Rent and Vacancy Rate
3. THIS PROJECT IS:			Bedroom %	Project Type	
<input type="checkbox"/> A new business venture <input type="checkbox"/> An expansion of an existing project <input type="checkbox"/> Rehab/Repair <input type="checkbox"/> Other (Explain) <input type="checkbox"/> Transfer of Ownership			_____ 1 _____ 2 _____ 3 _____ 4 100%	<input type="checkbox"/> Senior <input type="checkbox"/> Family <input type="checkbox"/> Mixed <input type="checkbox"/> Other (Explain)	
4. VETERAN - Indicate if applicant is a veteran			<input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, indicate service from			to Service Branch		
5. CITIZENSHIP - Do you meet the citizenship requirements in 7 C.F.R. §3565.151?					
<input type="checkbox"/> Yes <input type="checkbox"/> No					
6. HISTORY OF BUSINESS - Provide a brief description and history of the business.					

7. COMMUNITY BENEFITS - Comment on the benefits the community will receive if the loan is made (i.e., taxes, jobs and any other benefits).					

According to the Paperwork Reduction Act of 1995, no persons are 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 0575-0174. The time required to complete this information collection is estimated to average 45 minutes 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.

Used by Multi-Family Housing to review a Lender's request for a Loan Note Guarantee.

(see reverse)

PROCEDURE FOR PREPARATION : 7 CFR part 3565 and HB-1-3565.

PREPARED BY : Applicant and Lender.

NUMBER OF COPIES : Original and two.

SIGNATURES REQUIRED : Applicant and Lender.

DISTRIBUTION OF COPIES : When Part A is completed by proposed Applicant, the original and two copies with Attachments will be submitted to the Lender. When Part B is completed by Lender, original and one copy with Attachments of Part A and B will be filed in the State Office.

PAGE 2 OF FORM RD 3565-1

- 2

8. APPLICANT'S PREVIOUS FEDERAL, STATE, OR LOCAL FINANCING - List assistance received, requested, or any pending applications. (Include direct, participation, insured, or guarantee loans, tax credits, and grants from any Federal, State, or local sources).

9. LITIGATION - List details of any expected, pending, or final disciplinary or legal (civil or criminal) action against the applicant, guarantors, partners, principal stockholders or directors.

10. NAMES OF ATTORNEYS, ACCOUNTANTS, AND OTHER PARTIES - List the names of all attorneys, accountants, appraisers, packagers, agents, and other parties (whether individuals or legal entities) engaged by or on behalf of the applicant (whether on a salary, retainer or fee basis and regardless of the amount of compensation) for the purpose of rendering professional or other services of any nature whatsoever to applicant, in connection with the preparation or presentation of this application to a lender. List all fees or other charges or compensation paid or to be paid for any purpose in connection with this application or disbursement of the loan whether in money or other property of any kind whatsoever, by or for the account of the applicant together with a description of such services rendered or to be rendered with complete justification for such purposes. NOTE: All fees and charges are subject to RD review and approval and may, in some cases, be paid out of loan proceeds.

Name and Address (Include Zip Code)	Description of Service Rendered or to be Rendered with Complete Justification	Total Compensation Agreed to be Paid*	Compensation Already Paid

*Enter specific dollar amounts or hourly rates. "Unknown," "Undetermined," or other imprecise terms are not acceptable.

11. SUBSIDIARIES AND AFFILIATES - (1) List the name and addresses of all concerns that are subsidiaries, parent organizations, or affiliates of the applicant, including concerns in which the applicant holds a controlling, but not necessarily a majority, interest:

PAGE 3 OF FORM RD 3565-1

- 3

(2) List all other concerns that are in any way affiliated, by stock ownership, management contracts, or otherwise, with the applicant. The applicant should comment briefly regarding the trade relationship between the applicant and such subsidiaries or affiliates and if the applicant has no subsidiary or affiliate, a statement to this effect must be made. Signed and dated organizational documents, balance sheets, operating statements and reconciliation of net worth (all not more than 60 days old) must be submitted for all subsidiaries, parent organizations, and affiliates in the same manner as required of the applicant.

12. PURCHASE AND SALES RELATIONS WITH OTHERS - Does applicant buy from, sell to or use the services of any concern in which an officer, director, major stockholder, or partner, or proprietor of the applicant has a substantial interest? [] Yes [] No If "Yes," give names of such officer, director, stockholder, and partners, names of such concerns and explain the nature of the transactions.

13. RECEIVERSHIP - BANKRUPTCY - Has the applicant or any officer, partner, or director of the applicant, or any of their affiliates or concerns been in receivership or filed bankruptcy? [] Yes [] No If "Yes" give names, dates and details.

14. DISCLOSURE OF SPECIAL INFORMATION REGARDING PRINCIPALS - (a) List below any RD employees who are related by blood, marriage, or adoption, or who have any present, or past, direct or indirect financial interest in or association with, the applicant, or any of its owners, officers, or directors, (b) When the proprietor, or any partner, officer, director, or their spouse, is an employee of the U.S. Government including members of the armed forces, an explanation of this relationship shall be submitted with the application. Check box if (a) or (b) is not applicable. [] (a) [] (b)

Table with 2 columns: NAMES AND ADDRESS (Include ZIP Code), Details of Relationship or Interest

PAGE 4 OF FORM RD 3565-1

- 4

15. **MANAGEMENT** - Enter names of (a) all owners, key officers, and directors receiving annual compensation, (including salaries, fees, withdrawals, etc.), (b) project managers, and (c) all other owners having 20 percent or more interest in the applicant. Personal guarantees from major owners and any partners will usually be required. If guarantor cannot provide such guarantee due to existing contractual or legal restrictions, explain in an attachment. Final determinations will be made by RD. Attach, in the case of personal guarantee, current financial statements not over 60 days old at time of filing, and for any other guarantee, current financial statements not over 90 days old at time of filing and certified by an authorized representative. Additional updated financial statements may be required depending on processing time.

(a) Name	(b) Position or Title	(c) Annual Compensation \$	(d) % Own- ership	(e) Outside Net Worth \$	(f) Personal Guarantee Offered (Yes or No)	(g) Insurance Carried for Benefit of Applicant \$

16. **REGULATORY AGENCIES** - List all regulatory agencies (*National, State, or Local*) which affect this business or project and whether there are any pending matters with such agencies (including the status or any requisite permits, licenses or other authorizations).

17. **INSTRUCTION TO APPLICANT** - Attach to this application the following supporting documents.

- (a) Comments from state and local governments, if not already submitted.
- (b) Financial data.
- (c) Aging of accounts receivable and payable. (*Use 30, 60, 90 days with individual account explanation of items over 90 days old*).
- (d) Supporting documentation for your projections, including economic factors, markets, management, etc.
- (e) If construction is involved, final plans and specifications must be submitted to the lender for approval prior to the commencement of construction including any applicable architectural or engineering plans.
- (f) If construction is involved, provide applicable equal opportunity and nondiscrimination forms.
- (g) **Form RD 449-10**, "Applicant's Environmental Impact Evaluation."
- (h) Evidence whether the project is located in a flood or mudslide hazard area.
- (i) A written statement whether the project will affect any historic sites.
- (j) Commitments for available utilities including fire and police protection.
- (k) For each person listed under item 15, **MANAGEMENT**, provide a brief description of their education, technical training, employment and business experience (*resumes may be used*).
- (l) A detailed debt schedule correlated to the latest balance sheet reflecting the name of each creditor, loan purpose, original loan amount, current balance, date of loan, interest rate, maturity date, monthly or annual payments, payment status, and security.

PAGE 5 OF FORM RD 3565-1

- 5

18. POLICY AND REGULATIONS CONCERNING REPRESENTATIVES AND THEIR FEES:

- (a) An applicant may obtain the assistance of any attorney, engineer, appraiser, or other representative to aid it in the preparation of its application, however, such representation is not mandatory. In the event a loan is approved, the services of an attorney may be necessary to assist in the preparation of closing documents, title examination, etc.
- (b) There are no "authorized representatives" of RD, other than our regular salaried employees. Payment of any fee or gratuity to RD employees is illegal and will subject the parties to prosecution.
- (c) RD will not approve placement or finder's fees for the use or attempted use of influence in obtaining or trying to obtain a loan.
- (d) Fees which will be approved will be limited to reasonable sums for services actually rendered in connection with the application or the closing, based upon the time and effort required, and the nature and extent of the services rendered by such representative.
- (e) It is the responsibility of the applicant to set forth in section 10 of this application the names of all persons or firms engaged by or on behalf of the applicant. Applicants are also required to advise RD in writing of the names and fees of any representatives engaged by the applicant subsequent to the filing of the application. Failure to so notify RD constitutes "misrepresentation" and in addition to civil and criminal penalties will cause RD to contest the guarantee if lender had knowledge of this omission.
- (f) Any applicant having any question concerning the payment of fees, or the reasonableness of fees, should communicate with RD before the application is filed.

19. AGREEMENT OF NONEMPLOYMENT OF RD PERSONNEL. In consideration of RD guaranteeing any part of the loan applied for in this application, the applicant hereby agrees that for a period of two years after date of guarantee of any part of the loan, it will not employ or tender any office or employment to, or retain for professional services, any person who, on the date of such disbursement, or within one year prior to said date, (a) shall have served as an officer, attorney, agent, or employee of RD and (b) as such, shall have occupied a position or engaged in activities which RD shall have determined, or may determine, involved discretion with respect to the granting of assistance under title V of the Housing Act of 1949 or other relevant acts.

20. CERTIFICATION - The applicant hereby certifies that:

- (a) It has read RD policy and regulations concerning representatives and their fees (*18 above*) and has not paid or incurred any obligation to pay, directly or indirectly, any fee or other compensation for obtaining the loan hereby applied for other than for services and expenses authorized pursuant to paragraph 18 above.
- (b) It has not paid or incurred any obligation to pay any Government employee or special Government employee any fee, gratuity or anything of value for obtaining the assistance hereby applied for. If such fee, gratuity, etc. has been solicited by any such employee, the applicant agrees to report such information to the Office of Inspector General, USDA, Washington, D.C. 20250.
- (c) Information contained above and in exhibits attached hereto are true and complete to the best knowledge and belief of the applicant and are submitted for the purpose of requesting RD to guarantee a loan by lender to the applicant. Whether or not the loan applied for is approved, the applicant agrees to pay or reimburse the lender for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by nonlender personnel with consent of the applicant

21. ASSURANCE OF COMPLIANCE. The applicant hereby covenants, promises, agrees and gives herein the ASSURANCE that in connection with any loan to the applicant which RD may guarantee as a result of this application, it will COMPLY with the requirements of Executive Order 11245 regarding Equal Credit Opportunity. Applicant further agrees that in the event it fails to comply with said requirement, RD may cancel, terminate, accelerate repayment of, or suspend in whole or in part, the financial assistance provided or to be provided by RD, and that RD or the United States Government may take any other action that may be deemed necessary or appropriate of this ASSURANCE OF COMPLIANCE.

PAGE 6 OF FORM RD 3565-1

- 6

These requirements prohibit discrimination on the grounds of race religion, color, sex, marital status or national origin recipients of Federal financial assistance, including, but not limited to, employment practices and require the submission of appropriate reports and access to books and records. These requirements are applicable to all transferees and successors in interest.

The proposed borrower hereby agrees to provide the lender and RD timely periodic financial statements including the annual financial statement required by 7 C.F.R. §3565.351. Failure to provide such reports will be considered a default of the loan.

WARNING: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully (1) falsifies, conceals or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry; shall be fined under this title or imprisoned not more than five years, or both.

Misrepresentation of material facts may also be the basis for denial of credit by RD.

Applicant Name:

CORPORATE SEAL

By _____

Title _____

Attest: _____

Date Signed: _____

(Title)

Applicant's Contact Person

Name

Address

Telephone

PAGE 7 OF FORM RD 3565-1

-7

PART B - LENDER INFORMATION

INSTRUCTIONS: Lender completes item 21 through 33 and submits the original and one copy of this application and all supporting documents to RD.

21. PERCENT OF GUARANTEE REQUESTED _____ % LENDER TAX IDENTIFICATION NO. _____
(For use only by lender)

We propose to make and service a loan to the applicant named on page 1 of this application. We request an RD loan guarantee subject to the provisions of the applicable RD Regulation.

22. TERMS AND CONDITIONS OF LOAN:

Type	Amount	Terms (yrs.)	Interest	Monthly Payments
Real Estate	\$ _____	_____ yrs.	_____ %	\$ _____
Rehab or Repair	\$ _____	_____ yrs.	_____ %	\$ _____
Other _____	\$ _____	_____ yrs.	_____ %	\$ _____
TOTAL	\$ _____			\$ _____

NOTE: Guaranteed borrowers must have the right to prepay their loans. Prepayment penalties are permitted if reasonable and approved by RD. Attach amortization schedule for loan.

23. (a) SOURCE AND USE OF FUNDS: Loan funds will be disbursed and used for the following purposes, in the following amounts.

Hard Costs	\$ _____	Closing Costs & Legal Fees	\$ _____
General Requirements	\$ _____	Land Cost or Value	\$ _____
General Overhead	\$ _____	Nonprofit O&M Capital	\$ _____
Other Fees Paid by Contractor	\$ _____	Tax and/or Impact Fees	\$ _____
Builder's Profit	\$ _____	Tax Credit Fees	\$ _____
Architectural Fees	\$ _____	Environmental Fees	\$ _____
Survey and Engineering	\$ _____	Market Study Cost	\$ _____
Financing Costs Loan Fees	\$ _____	Developers Fee	\$ _____
Interest During Construction	\$ _____	Other Ineligible Costs	\$ _____
		Total Development Costs	\$ _____

(b) Describe in detail the source and use of funds from (a) above and any other source of funds for the project and its amount and indicate whether the amounts and sources are proposed or definite. (Attach additional sheet to this application.)

24. COLLATERAL AND LIEN POSITION: Describe collateral in detail, indicating whether it is owned or to be acquired. An attachment may be added, if necessary.

25. PLANNED DISBURSEMENTS: Describe plans for distributing the loan.

26. PERSONAL OR CORPORATE GUARANTEES RECOMMENDED: (Attach guarantor's financial statements.)

27. INSURANCE: List requirements for Life, Hazard, Federal Flood, Liability, and other insurance.

PAGE 8 OF FORM RD 3565-1

28. COMMENTS OF LENDER: *(Attach additional sheets, if necessary).*

(a) Evaluate applicant's management, past record, repayment ability and other financial analysis.

(b) State whether any officer, director, stockholder, or employee of the lender has a financial interest in the applicant or vice versa. If so, give details:

(c) Is applicant indebted to lender? Yes No If yes, provide history of debt repayment and other details:

(d) List all fees and charges for the loan, including those for preparation of application, servicing, etc. Indicate whether the guarantee fee will be passed on to applicant. *(See 7 C.F.R. §3565.53).*

(e) Provide loan servicing plans, including field inspections, frequency of obtaining periodic and annual financial statements and their analysis, use of correspondents or other outside consultants, location of office servicing the loan, and compliance with other servicing responsibilities set forth in the "Lender's Agreement," Form RD 3565-3.

PAGE 9 OF FORM RD 3565-1

29. LOAN AGREEMENT: Attach proposed lender and applicant loan agreement.

30. LENDER'S EXPERIENCE WITH RD:

(a) Have you made any loans guaranteed by RD? Yes No

If yes, check program area: Rural Housing Business and Industry.

(b) If applicant has or had loans with you, have such loans appeared in regulatory examination report?
 Yes No If yes, explain.

(c) Have you ever been debarred from participation in United States Government programs? If yes, explain.

(d) Are you delinquent on a federal debt or do you have an outstanding finding of deficiency in a federal housing program? If yes, explain.

31. Verify and comment on applicant's debt schedule:

32. PLANS FOR CONSTITUTING THE LOAN: (See Form RD 3565-3, "Lender's Agreement," paragraph III A).

(a) Will retain entire loan Yes No

(b) Will utilize secondary market for guaranteed portion (indicated by check).

Assignment _____ Participation _____ Multi-note _____

33. LENDER APPROVAL REQUIREMENTS: Is lender currently on the Guaranteed Rural Rental Housing Program (GRRHP) Approved Lender list? Yes No If no, complete items 34, 35, and 36. If yes, go to item 37.

34. LENDER PROFILE: Is the lender:

(a) Approved by the Secretary of HUD to make multifamily housing loans that are to insured under the National Housing Act?
 Yes No

(b) Approved by Fannie Mae or Freddie Mac to make multifamily housing loans? Yes No A letter from HUD, Fannie Mae, or Freddie Mac dated within the last 24 months must be attached.

(c) Approved by a state or local HFA? Yes No

35. EXPERIENCE OF STAFF: Explain experience and qualifications of staff in underwriting, originating, servicing, managing, and liquidating multifamily housing loans.

36. FACILITIES AND SYSTEMS: Provide detailed information regarding the facilities and systems you will use to support servicing and asset management functions.

PAGE 10 OF FORM RD 3565-1

-10

37. PROCEDURES: Provide a detailed description (or a copy) of your documented procedures for carrying out servicing and asset management responsibilities.

38. OPINION: In our opinion, the loan has repayment ability, appears feasible and all RD requirements in 7 C.F.R. part 3565 will be met.

WARNING: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States knowingly and willfully (1) falsifies, conceals or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry; shall be fined under this title or imprisoned not more than five years, or both.

Misrepresentation of material facts may also be the basis for RD not issuing a Loan Note Guarantee.

LENDER:

Contact Person: _____

Telephone Number: _____

Date: _____

By _____

Authorized Officer

Title