

Appendix 12

Insurance Closings

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Closing Lists**12A****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****SECTION 221 d 4 INITIAL**

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

- ___ 1. Attendance List
- ___ 2. Commitment (form HUD-92432), Amendment or Assignment, if any 3
- ___ 3. Mortgagor's Organizational Documents C & 2
- ___ a. Corporate Mortgagor
- (i) Articles of Incorporation
- (ii) Code of Regulations
- (iii) Certificate of Good Standing dated within 30 days of closing
- (iv) Incumbency Certificate
- (v) Resolution who can sign closing documents
- ___ b. Partnership Mortgagor
- (i) Partnership Agreement
- (ii) Certificate of Partnership
- (iii) Full Force & Effect Certificate dated within 30 days of closing
- (iv) Resolution who can sign closing documents
- ___ c. Limited Liability Company Mortgagor
- (i) Articles of Organization
- (ii) Operating Agreement
- (iii) Certificate of Continued Existence dated within 30 days of closing
- (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)' Organizational Documents (same as Exhibit 3),
if applicable C & 2
- ___ 5. Regulatory Agreement..... O & 2
- ___ 6. Mortgage Note 3
- ___ 7. Mortgage Deed 3
- ___ 8. Security Agreement 3

	a.	Financing Statement (UCC-1)	
	b.	Financing Statement (UCC-1)	
___	9.	1992 ALTA Title Insurance Loan Policy	3
	a.	ALTA Form 8.1 Environmental Endorsement	
	b.	ALTA Form 9 Comprehensive Endorsement	
	c.	Copies of all exception documents	
		Note: 1999 Minimum Standard Detail Requirements (MSDR) for (ALTA)/(ACSM) Land Title Surveys for multifamily projects insured by FHA are also acceptable.	
___	10.	Survey Plat dated within 120 days of closing.....	3
___	11.	Surveyor's Report dated within 120 days of closing (HUD-2457)	O & 2
___	12.	Evidence of Zoning Compliance	O & 2
___	13.	Building Permit(s)	3
___	14.	Notice of Commencement dated within 30 days of closing, if applicable.....	3
___	15.	Assurance of Utility Services Letters	0 & 2
	___	a. Water	___ d. Sanitary Sewer
	___	b. Electricity	___ e. Storm Sewer
	___	c. Gas	___ f. Telephone
___	16.	Building Loan Agreement (Form HUD-92441)	O & 2
	a.	Exhibit A Property Description	
	b.	Exhibit B Contractor's and/or Mortgagor's Cost Breakdown (Form HUD-92328)	
___	17.	Construction Contract:.....	O & 2
	a.	Lump Sum (Form HUD-92442) or	
	b.	Cost Plus (Form HUD-92442-A) and	
	c.	Incentive Payment (Form HUD 92443)	
	d.	Identity of Interest Amendment (Chapter ___)	
	e.	Exhibit A Contractor's and/or Mortgagor's Cost Breakdown (Form HUD 92328)	
___	18.	Contractor's Certification of Labor Standards and Prevailing Wage Standards ...	O & 2
___	19.	Assurance of Completion for On-Site Improvements:	O & 2
	a.	Performance Bond-Dual Oblige (Form FHA-2452) and	
	b.	Payment Bond (Form HUD-92452-A)	
	c.	Facsimile from surety main office confirming power of attorney, or	
	d.	Completion Assurance Agreement (Form HUD-92450)	
___	20.	Owner-Architect Agreement HUD Amendment (AIA Document B181) and	3

___	21. Certification of Architectural/ Engineering Fees	O & 2
___	22. Mortgagor's and Architect's Certificate of Payment (Form HUD-92403-1).....	O & 2
___	23. Assurance of Completion of Off-Site Improvements, if Applicable:	O & 2
	a. Escrow Agreement for Off-Site Facilities with Schedule "A", (Form FHA-2446) and	
	b. Off-Site Bond (Form FHA 2479), if required	
	c. Building Permit, if required	
___	24. Assurance of Funds to meet Operating Deficit (Form FHA-2476 or HUD-92476A), if applicable	O & 2
___	25. Mortgagee's Certificate (Form FHA-2434)	O & 2
___	26. Mortgagor's Certificate (Form FHA-2433)	O & 2
___	27. Mortgagor's Oath (Form FHA-2478)	O & 2
___	28. Equal Employment Opportunity Certification (FORM HUD 92010).....	O & 2
___	29. Title VI Assurance of Compliance (Form HUD-4190).....	O & 2
___	30. Mortgagor's Byrd Amendment Certificate.....	O & 2
___	31. Mortgagee's Byrd Amendment Certificate	O & 2
___	32. Mortgagor's Low Income Housing Tax Credit Program Certification.....	O & 2
___	33. Mortgagor's Attorney's Opinion	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___	34. Agreement and Certification (Form HUD-3305)	O & 2
	Agreement and Certification Form HUD-3306 (if appropriate)	
___	35. Application for Insurance of Advance of Mortgage	O & 4
	a. Proceeds (Form HUD-92403) and Contractor's	
	b. Requisition (HUD-92448), if applicable	

- ___ 36. Permanent Lender’s Assurance of Permanent Financing (Chapter ___) O & 2
- ___ 37. All Special Conditions of Firm Commitment (Form HUD-92432) O & 2
 - ___ () Previous Participation Certificate (Form FHA-2530)
 - ___ ()
 - ___ ()
 - ___ ()
 - ___ ()
 - ___ ()
 - ___ ()
 - ___ ()
- ___ 38. Inspection fee check, if applicable
- ___ 39. Mortgage Insurance Premium (MIP) check
- ___ 40. State and local requirements O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 221d4 FINAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:
Copies:

- ___ 1. Attendance List 3
- ___ 2. Increased Note, if applicable 3
- ___ 3. Increased Mortgage, if applicable 3
- ___ 4. a. Consolidation Agreement, or 3
 - b. New Note and New Mortgage for Total Amount, if applicable
- ___ 5. Modification Agreement, if applicable 3
- ___ 6. Mortgagor's Attorney's Opinion as to increase, if any O & 2
 - a. Exhibit A - legal description
 - b. Exhibit B - Mortgagor Certification
 - c. Exhibit C - Good Standing Certificate

___	7.	Title Insurance Policy Final Endorsement.....	3
___	8.	As-Built Survey dated within 120 days of closing	3
___	9	Surveyor's report (HUD-2457) dated within 120 days of closing	O & 2
___	10.	Certificate of Occupancy	3
___	11.	Mortgagee's letter indicating all payments are current, if applicable.....	O & 2
___	12.	Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403).....	O & 4
___	13.	Contractor's Requisition (Form FHA-2448)with Contractor's Prevailing Wage Certificate	O & 2
___	14.	Request for Final Endorsement of Credit Instrument (Form HUD-92023).....	O & 2
___	15.	Escrow Deposit Agreement, if applicable (Form HUD-2456).....	O & 2
___	16.	All Special Conditions of Maximum Insurable Mortgage (Form-92580).....	O & 2
		___ ()	
		___ ()	
		___ ()	
		___ ()	
		___ ()	
		___ ()	
		___ ()	
		___ ()	
___	17.	Note Endorsement Panel	3
___	18.	Mortgage Insurance Premium (MIP) check for mortgage increase only, if applicable .	3
___	19.	Special state and local requirements.....	3
___	20.	Security Agreement and UCC-1, if not obtained at initial closing.....	3
___	21.	2 ½ % Latent Defects Guarantee (if initial assurance was in cash).....	3

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 232 INITIAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

Copies:

- ___ 1. Attendance List
- ___ 2. Commitment (form HUD-92432), Amendment or Assignment, if any 3
- ___ 3. Mortgagor’s Organizational Documents C & 2
 - ___ a. Corporate Mortgagor
 - (i) Articles of Incorporation
 - (ii) Code of Regulations
 - (iii) Certificate of Good Standing dated within 30 days of closing
 - (iv) Incumbency Certificate
 - (v) Resolution who can sign closing documents
 - ___ b. Partnership Mortgagor
 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)’ Organizational Documents, if applicable..... C & 2
- ___ 5. Lessee Operator’s Organizational Documents, if applicable C & 2
- ___ 6. Certificate of Need..... 3
- ___ 7. Regulatory Agreement and Addendum (Mortgagor) O & 2
- ___ 8. Mortgage Note 3
- ___ 9. Mortgage Deed and Addendum..... 3
- ___ 10. Security Agreement and Addendum..... 3
 - a. Financing Statement (UCC-1)
 - b. Financing Statement (UCC-2)
- ___ 11. Lease to Operator, if applicable..... 3

___	12. Regulatory Agreement (Form HUD-92466-NHL) and Addendum (Operator/Lessee), if applicable	O & 2
___	13. 1992 ALTA Title Insurance Loan Policy	3
	a. ALTA Form 8.1 Environmental Endorsement	
	b. ALTA Form 9 Comprehensive Endorsement	
	c. Copies of all exception documents	
___	14. Survey Plat dated within 120 days of closing.....	3
___	15. Surveyor's Report dated within 120 days of closing (HUD-2457).....	O & 2
___	16. Evidence of Zoning Compliance	O & 2
___	17. Building Permit(s)	3
___	18. Notice of Commencement	3
___	19. Assurance of Utility Services Letters dated within 30 days of closing.....	O & 2
	___ a. Water	___ d. Sanitary Sewer
	___ b. Electricity	___ e. Storm Sewer
	___ c. Gas	___ f. Telephone
___	20. Building Loan Agreement (Form HUD-92441)	O & 2
	a. Exhibit A Property Description	
	b. Exhibit B Contractor's and/or Mortgagor's Cost Breakdown (Form HUD-92328)	
___	21. Construction Contract:.....	O & 2
	a. Lump Sum (Form HUD-92442) or	
	b. Cost Plus (Form HUD-92442-A) and	
	c. Incentive Payment (Form HUD 92443)	
	d. Identity of Interest Amendment	
	e. Exhibit A Contractor's and/or Mortgagor's Cost Breakdown (Form HUD 92328)	
___	22. Contractor's Certification of Labor Standards and Prevailing Wage Standards ...	O & 2
___	23. Assurance of Completion for On-Site Improvements:	O & 2
	a. Performance Bond-Dual Obligee (Form FHA-2452) and	
	b. Payment Bond (Form HUD-92452-A)	
	c. Facsimile from surety main office confirming power of attorney, or	
	d. Completion Assurance Agreement (Form HUD-92450)	
___	24. Owner-Architect Agreement (AIA Document B181) and HUD Amendment (App. ___)	3
___	25. Certification of Architectural/ Engineering Fees (Chapter)	O & 2
___	26. Mortgagor's and Architect's Certificate of Payment (Form HUD-92403-1).....	O & 2

___	7. Assurance of Completion of Off-Site Improvements, if Applicable.....	O & 2
	a. Escrow Agreement for Off-Site Facilities (Form FHA-2446) with Schedule "A", and	
	b. Off-Site Bond (Form FHA 2479), if required	
	c. Building Permit, if required	
___	28. Assurance of Funds to meet Operating Deficit (Form FHA-2476 or HUD-92476A), if applicable.....	O & 2
___	29. Escrow for Non-realty Equipment, if applicable	O & 2
___	30. Mortgagee's Certificate (Form FHA-2434)	O & 2
___	31. Mortgagor's Certificate (Form FHA-2433)	O & 2
___	32. Mortgagor's Oath (Form FHA-2478)	O & 2
___	33. Equal Employment Opportunity Certification (Form HUD-92010)	O & 2
___	34. Title VI Assurance of Compliance (Form HUD-4190).....	O & 2
___	35. Mortgagor's Byrd Amendment Certificate.....	O & 2
___	36. Mortgagee's Byrd Amendment Certificate	O & 2
___	37. Lessee's Byrd Amendment Certificate, if applicable	O & 2
___	38. Guaranty Agreement, if applicable.....	O & 2
___	39. Mortgagor's Sinking Fund, if applicable	O & 2
___	40. Mortgagor's Attorney's Opinion	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___	41. Agreement and Certification (Form HUD-3305)	O & 2
___	42. Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403) and Contractor's Requisition (HUD-92448), if applicable	O & 4
___	43. Permanent Lender's Assurance of Permanent Financing (HB 4470.1, REV-2, Section 5-1)	O & 2
___	44. All Special Conditions of Firm Commitment (Form HUD-92432)	O & 2
	___ () Previous Participation Certificate (Form FHA-2530)	
	___ ()	

- ___ ()
- ___ ()
- ___ ()
- ___ ()

- ___ 45. Inspection fee check, if applicable O
- ___ 46. Mortgage Insurance Premium (MIP) check O
- ___ 47. Special state and local requirements..... O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 232 FINAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

Copies:

- ___ 1. Attendance List
- ___ 2. Increased Note, if applicable 3
- ___ 3. Increased Mortgage, if applicable 3
- ___ 4. a. Consolidation Agreement, or 3
 b. New Note and New Mortgage for Total Amount, if applicable
- ___ 5. Modification Agreement, if applicable..... 3
- ___ 6. Mortgagor's Attorney's Opinion as to increase, if applicable O & 2
 a. Exhibit A - legal description
 b. Exhibit B - Mortgagor Certification
 c. Exhibit C - Good Standing Certificate
- ___ 7. Operating License 3
- ___ 8. Title Insurance Policy Final Endorsement..... 3
- ___ 9. As-Built Survey dated within 120 days of closing
- ___ 10. Surveyor's report (HUD-2457) dated within 120 days of closing O & 2

___	11. Certificate of Occupancy	3
___	12. Mortgagee's letter indicating all payments are current, if applicable	O & 2
___	13. Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403)	O & 4
___	14. Contractor's Requisition with Contractor's Prevailing Wage Certificate (Form FHA-2448)	O & 2
___	15. Request for Final Endorsement of Credit Instrument if applicable (Form HUD-92023)	O & 2
___	16. Escrow Deposit Agreement (Form HUD-2456).....	O & 2
___	17. All Special Conditions of Maximum Insurable mortgage (FORM HUD-92580).....	O & 2
___	()	
___	()	
___	()	
___	()	
___	()	
___	()	
___	()	
___	()	
___	18. Note Endorsement Panel.....	3
___	19. Mortgage Insurance Premium (MIP) check for mortgage increase only, if applicable	O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 223f

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below

Documents:

Copies:

___	1. Attendance List	
___	2. Commitment, Amendment or Assignment, if any	3

___ 3.	Mortgagor’s Organizational Documents	C & 2
___ a.	Corporate Mortgagor	
	(i) Articles of Incorporation	
	(ii) Code of Regulations	
	(iii) Certificate of Good Standing dated within 30 days of closing	
	(iv) Incumbency Certificate	
	(v) Resolution who can sign closing documents	
___ b.	Partnership Mortgagor	
	(i) Partnership Agreement	
	(ii) Certificate of Partnership	
	(iii) Full Force & Effect Certificate dated within 30 days of closing	
	(iv) Resolution who can sign closing documents	
___ c.	Limited Liability Company Mortgagor	
	(i) Articles of Organization	
	(ii) Operating Agreement	
	(iii) Certificate of Continued Existence dated within 30 days of closing	
	(iv) Resolution who can sign closing documents	
___ 4.	Mortgagor General Partner(s)’ Organizational Documents, if applicable.....	C & 2
___ 5.	Regulatory Agreement.....	O & 2
___ 6.	Mortgage Note	3
___ 7.	Mortgage Deed	3
___ 8.	Security Agreement	3
	a. Financing Statement (UCC-1)	
	b. Financing Statement (UCC-2)	
	c. Financing Statement (UCC-2)	
___ 9.	1992 ALTA Title Insurance Loan Policy	3
	a. ALTA Form 8.1 Environmental Endorsement	
	b. ALTA Form 9 Comprehensive Endorsement	
	c. Copies of all exception documents	
___ 10.	Survey Plat dated within 120 days of closing.....	3
___ 11.	Surveyor's Report dated within 120 days of closing (HUD-2457).....	O & 2
___ 12.	Evidence of Zoning Compliance	O & 2
___ 13.	Evidence of Compliance with local housing and building Codes	3
___ 14.	Mortgagor's Oath (Form FHA-2478)	O & 2
___ 15.	Equal Employment Opportunity Certification (Form HUD-92010)	O & 2

___	16. Title VI Assurance of Compliance (Form HUD-4190).....	O & 2
___	17. Mortgagor's Byrd Amendment Certificate.....	O & 2
___	18. Mortgagee's Byrd Amendment Certificate	O & 2
___	19. Mortgagor's Low Income Housing Tax Credit Program Certification	O & 2
___	20. Mortgagor's Attorney's Opinion	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___	21. Agreement and Certification(Form HUD-3305)	O & 2
___	22. Mortgagee's Current Payment Letter, if applicable	O & 2
___	23. Request for Endorsement of Credit Instrument, Certificate of Mortgagee, Mortgagor (Form FHA-2455).....	O & 2
___	24. Permanent Lender's Assurance of Permanent Financing.....	O & 2
___	25. Escrow Agreement for Non-Critical Repairs (Form HUD-92476.1), if applicable	O & 2
___	26. All Special Conditions of Firm Commitment Form HUD-92432).....	O & 2
___	() Previous Participation Certificate (Form FHA-2530)	
___	() Short Form Cost Certification (Form FHA-2205	
___	() Certified Closing Statement	
___	() Certification Regarding Tenants' Security Deposits	
___	27. Inspection fee check, if applicable	O
___	28. Mortgage Insurance Premium (MIP) check	O
___	29. Secondary financing and UCC1	3
___	30. Patent Defects Guarantee	
___	31. State and/or Local Requirements	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 232/223 f

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

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Documents:

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- ___ 2. Commitment, Amendment or Assignment, if any 3
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 - ___ a. Corporate Mortgagor
 - (i) Articles of Incorporation
 - (ii) Code of Regulations
 - (iii) Certificate of Good Standing dated within 30 days of closing
 - ___ b. Partnership Mortgagor
 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign all closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)’ Organizational Documents, if applicable..... C & 2
- ___ 5. Lessee Operator’s Organizational Documents, if applicable 3
- ___ 6. Regulatory Agreement and Addendum (Mortgagor) O & 2
- ___ 7. Regulatory Agreement and Addendum (Operator/Lessee),if applicable O & 2
- ___ 8. Mortgage Note 3
- ___ 9. Mortgage Deed and Addendum..... 3
- ___ 10. Security Agreement and Addendum..... 3
 - a. Financing Statement (UCC-1) and Addendum
 - b. Financing Statement (UCC-2) and Addendum
 - c. Financing Statement (UCC-2) and Addendum
- ___ 11. Lease to Operator, if applicable..... 3

___	12. Nursing Home License	3
___	13. 1992 ALTA Title Insurance Loan Policy	3
___	14. Survey Plat dated within 120 days of closing.....	3
___	15. Surveyor's Report dated within 120 days of closing (HUD-2457)	O & 2
___	16. Evidence of Zoning Compliance	O & 2
___	17. Evidence of Compliance with local housing and building Codes	3
___	18. Mortgagor's Oath (Form FHA-2478)	O & 2
___	19. Equal Employment Opportunity Certification (Form HUD-92010)	O & 2
___	20. Title VI Assurance of Compliance (Form HUD-41901).....	O & 2
___	21. Mortgagor's Byrd Amendment Certificate.....	O & 2
___	22. Mortgagee's Byrd Amendment Certificate	O & 2
___	23. Operator/Lessee's Byrd Amendment Certificate, if applicable.....	O & 2
___	24. Mortgagor's Low Income Housing Tax Credit Program Certification	O & 2
___	25. Mortgagor's Attorney's Opinion	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___	26. Agreement and Certification (Form HUD-3305)	O & 2
___	27. Mortgagee's Current Payment Letter	O & 2
___	28. Mortgagor's Sinking Fund, if applicable	O & 2
___	29. Request for Endorsement of Credit Instrument, Certificate of Mortgagee, Mortgagor (Form FHA-2455).....	O & 2
___	30. Lender letter regarding permanent financing	O & 2
___	31. All Special Conditions of Firm Commitment (Form HUD-92432)	O & 2
___	() Previous Participation Certificate (Form FHA-2530)	
___	() Short Form Cost Certification (Form FHA-2205)	
___	() Certified Closing Statement	
___	() Certification Regarding Tenants' Security Deposits	

- ___ 32. Inspection fee check, if applicable O
- ___ 33. Mortgage Insurance Premium (MIP) check O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TAX-EXEMPT BONDS AND/OR LIHTC SUPPLEMENTAL INITIAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:
Copies:

**TAX-EXEMPT BONDS
SUPPLEMENTAL INITIAL CLOSING REQUIREMENTS**

- ___ 1. Mortgagor’s Attorney’s Opinion 3
- ___ 2. Mortgagee’s Attorney’s Opinion 3
- ___ 3. Bond Counsel Opinion 3
- ___ 4. Land Use Restriction or Tax Regulatory Agreement

**LOW-INCOME HOUSING TAX CREDITS
SUPPLEMENTAL INITIAL CLOSING REQUIREMENTS**

- ___ 1. Mortgagor’s Attorney’s Opinion 3
- ___ 2. Special Deed Covenant 3

Owner-Architect Agreement**12B.1**

- A. The Owner-Architect Agreement must be on AIA Document B181 Standard Form Of Agreement Between Owner and Architect for Housing Services.
- B. Architect is any architect, engineer or designer that:
1. Is registered to provide the proposed project services in the State in which the project is located.
 2. Serves as a prime architect, i.e., provides directly to the Owner any or all of the basic architectural services.
- C. Multiple Prime Architects exist when the owner contracts directly with two or more architects to provide the basic architectural services.
1. Require separate Owner-Architect Agreements for each prime architect. Each must clearly define the specific services covered and fees.
 - a. Modify the standard services, where applicable, in Article 10, or at the applicable Article.
 - b. Basic fees must be a lump sum, i.e., fixed price.
 2. Separate design and supervisory architects are acceptable. Where a separate architect is employed for construction phase services, the Owner-Architect Agreement for the supervisory architect must be submitted 15 days before initial closing. A separate Owner-Architect Agreements for the supervisory and design architect(s) must be shown in the construction contract for the respective services.
- D. Supervisory Architect may not have an identity of interest, as defined in Appendix ____ with the mortgagor or contractor. The HUD addendum to the Owner-Architect Agreement, Appendix ____, must be included as a contract rider and no identities of interest may be listed.
- E. Owner Furnished Services for land surveys, geotechnical reports, lead-based paint hazard testing, and similar specialty engineering and laboratory services that are not basic architectural services need not be contracted through use of AIA Document B181.
- F. Fee Claims.
1. The mortgagor must certify that there are no unpaid fees or claims for architectural, engineering, testing, or related services performed for the project by other than those identified on the certification and in the amount shown.

2. Article 9.6 of the 1994 version of the Owner-Architect Agreement supersedes any agreement or arrangement between the mortgagor and architect(s) of record predating contract execution, and must not be voided.

G. Fee Payment must be made as follows:

1. Design and design related services must be paid before or at initial closing. If the fee for such services is in dispute at the time of initial closing, the mortgagor may post a cash escrow with the mortgagee in the full amount of any disputed claim or in such lesser amount acceptable to the Field Office Manager. The full amount to be set aside in the cash escrow will equal the lesser of (1) the amount claimed by the design architect or (2) the amount set out in the commitment for architectural services.
2. Supervisory services payment must be based upon the monthly work progress, and may not exceed a rate equal to the percentage of project completion.
3. The Owner-Architect Agreement must separately identify the fee for design and supervisory services, where both are provided by the same entity.

H. Mortgagor's and Architect's Certificate, Form HUD-92403-1, must be executed at or before initial endorsement for each prime design professional. Draws in the Application for Insurance of Advance of Mortgage Proceeds, Form HUD-92403, exceeding the amount certified on Form HUD-92403-1 will not be approved.

- I. If anything other than "non applicable" is inserted into sections 11.3, 11.5.1, or 11.5.2 of the owner-architect agreement, language must be added that the architect agrees that neither mortgage proceeds nor project funds (other than surplus cash) can be a source of payment and that the architect will not assert a lien against the project for non-payment.

**Amendment to AIA Document B181, Standard Form of Agreement
 Between Owner and Architect for Housing Services****12B.2**

The provisions of this Amendment supersede and void all inconsistent provisions between the Amendment and the Agreement .

1. Definition of terms used in this Amendment.
 - a. Agreement. AIA Document B181, Standard Form of Agreement Between Owner and Architect for Housing Services.
 - b. HUD. The U. S. Department of Housing and Urban Development.
 - c. Owner. The Mortgagor/Owner.
 - d. Subcontractor. Any Project subcontractor, materials supplier, equipment lessor or industrialized housing manufacturer/supplier.
2. The Owner and the Architect represent that they are familiar with HUD requirements, including the Minimum Property Standards, Fair Housing Accessibility Guidelines, Uniform Federal Accessibility Standards, and architectural requirements of this Guide (See Chapter _____), as set forth in publications given to them by HUD for this Project and will perform all services in accordance with the applicable requirements of HUD.
3. No portion of the Architect's services and responsibilities or the Owner's responsibilities shall be assigned, transferred or delegated to anyone not acceptable to HUD.
4. The Architect shall advise HUD as well as the owner of any omissions, substitutions, defects, and deficiencies observed in the work of the Contractor.
5. The Architect shall issue Certificates of Payment and Certificates of Substantial Completion in the form prescribed by HUD.
6. The Architect shall furnish copies of all Architect's Supplemental Instructions to the owner, Mortgagee and HUD.
7. If the project for which the drawings and specifications prepared by the Architect has not been completed and there is a default or foreclosure, the Mortgagee or HUD may use the drawings and specifications to complete construction of the project without additional cost.
8. The Agreement shall not be terminated without 5 days prior written notice to the Mortgagee and HUD.

-
9. The Owner and the Architect recognize the interest of the Mortgagee and HUD and that any action or determination by either the Owner or the Architect is subject to acceptance or rejection by the Mortgagee and by HUD.
 10. The Owner and the Architect shall recognize as a valid reason for termination, any request by HUD for termination because of inadequate performance, undue delay or misrepresentation which may make the further services of the Architect unacceptable to HUD.
 11. The Architect administering the Construction Contract may not have an identity of interest with the Owner, Contractor, and/or any Project subcontractor. An identity of interest is construed to exist where:
 - a. The Architect has any financial interest in the Project other than the fee for professional service.
 - b. The Architect advances any funds to the Owner, Contractor and/or any subcontractor; and/or the Contractor and/or any subcontractor advance any funds to the Architect.
 - c. The Architect has any financial interest in the Owner, Contractor and/or any subcontractor; or the Owner, Contractor and/or any subcontractor has any financial interest in the Architect.
 - d. Any officer, director, stockholder or partner of the Architect has any financial interest in the owner, Contractor and/or any subcontractor; or any officer, director, stockholder or partner of the Owner, Contractor and/or any subcontractor has any financial interest in the Architect.
 - e. Any officer, director, stockholder or partner of the Architect is also an officer, director, stockholder or partner of the Owner, Contractor, and/or any subcontractor; or any officer, director, stockholder or partner of the Owner, Contractor and/or subcontractor is also an officer, director, stockholder, or partner of the Architect.
 - f. The Owner, Contractor and/or any subcontractor, or any officer, director, stockholder or partner of such Owner, Contractor and/or subcontractor provides any of the required architectural services; or where the Owner, Contractor and/or any subcontractor, or any officer, director, stockholder or partner of such Owner, Contractor and/or subcontractor, while not directly providing an architectural service, acts as a consultant to the Architect.
 - g. Any family relationships between the officers, directors, stockholders, or partners of the Architect and officers, directors, stockholders or partners of the Owner, Contractor, and/or any subcontractor; or between the officers, directors, stockholders or partners of the Owner, Contractor, and/or any subcontractor and officers, directors, stockholders, or partners of the Architect that could cause or result in control or influence over prices paid to the Architect and/or performance by the Architect.

- h. Any side deal, agreement, contract or undertaking, thereby altering, amending, or canceling any of the required closing documents, except as approved by HUD.
12. All identities of interest known to exist between the Architect and the Owner, Contractor and/or any subcontractor are listed herein. The Architect and owner shall each inform HUD in writing within 5 working days of its knowledge of any identity of interest that develops after execution of this Agreement.

List All Identities of Interest:

OWNER

ARCHITECT

DATE _____

DATE _____

WARNING: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years or both.

Certification of Architectural/Engineering Fees

12C

TO: Assistant Secretary-Federal Housing Commissioner

C/O _____

Dear

The undersigned hereby certifies that all architectural, engineering, drafting, land surveyor, testing, laboratory and related services fees and fee balances for the analysis of the property, preparation of reports, and for the project design and preparation of plans and specifications have been fully paid, except as listed below. The undersigned further certifies that there are no other disputed or undisputed claims for such services.

FIRM _____

SERVICE _____

FEE _____

BALANCE _____

FIRM _____

SERVICE _____

FEE _____

BALANCE _____

FIRM _____

SERVICE _____

FEE _____

BALANCE _____

FIRM _____

SERVICE _____

FEE _____

BALANCE _____

Date _____

MORTGAGOR

Attested By: _____

Title

WARNING: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years or both.

Specimen – Third Party Oblige Certification

12D

(Hub Director)

Dear:

The undersigned hereby certifies that under an agreement dated _____ between the undersigned and _____ a discount or other financing charge of \$ _____ in addition to the initial service charge will be paid by _____. The undersigned does not now have and will not later assert, any claim against the mortgagor, mortgaged property, mortgage proceeds, any reserve or deposit made with the undersigned or another required by HUD in connection with the mortgage transaction, or against the rents or other income from the mortgaged property for payment of any part of such discount.

Date _____ Mortgagee _____

Attest _____ By _____

Title

The undersigned does not now have and will not later assert, any claim against the mortgagor, mortgaged property, mortgage proceeds, any reserve or deposit made with the undersigned or another required by HUD in connection with the mortgage transaction, or against the rents or other income from the mortgaged property for payment of any part of such discount.

Signed _____

Attest _____ Date _____

Initial Endorsement Document Review – Architectural and Cost

12E

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

PART I, ARCHITECTURAL ANALYST REVIEW

	Yes	No	N/A
1. Request for Permission to commence Construction Prior to Initial Endorsement for Mortgage Insurance, Form FHA-2415, was executed.	—	—	—
If, yes			
a. Construction started and has been continuous.	—	—	—
If yes, construction started _____			
If no, comment: _____			

b. Additive or deductive change orders are in process or known to be proposed.	—	—	—
If yes, comment: _____			

c. No known problems, e.g.: nonpayment for work or material; liens; latent conditions; errors in the survey, drawings or specifications; wet site, strike, materials shortage, or other conditions delaying continued work; municipal stop order, other sanctions or requirements for additional work; contractor or subcontractor disputes, etc.	—	—	—
If yes, comment: _____			

d. Comments: _____			

2. Building Permits are for the proposed improvements, acceptable, unconditional, and current.	—	—	—
If no, comment: _____			

	Yes	No	N/A

- | | |
|--|---|
| <p>3. Jurisdictional authority has given its stamp or permit, where applicable, for: storm water disposal, private water supply and sewage treatment/disposal facilities.</p> <p>If no, comment: _____
_____</p> | <p>— — —</p> |
| <p>4. Assurance of Utilities</p> <p>a. Water service letter is unconditional and reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>b. Sanitary sewer service letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>c. Electric service letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>d. Gas service letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>e. District heat letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>f. Telephone service letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> <p>g. Cable TV letter is unconditional and is reasonable in its currency.</p> <p>If no, comment: _____
_____</p> | <p>— — —</p> <p>— — —</p> <p>— — —</p> <p>— — —</p> <p>— — —</p> <p>— — —</p> <p>— — —</p> <p>— — —</p> |
| <p>5. Survey, Surveyor's Certificate and Title Policy.</p> <p>a. The title policy/endorsement matches the legal description on the survey.</p> <p>If no, comment: _____
_____</p> <p>b. Easements, encroachments and other title policy/endorsement Schedule B identified exceptions are consistent with and between the plat for recordation/survey, surveyor's certificate, site plan and other drawings.</p> | <p>— — —</p> <p>— — —</p> |
| | <p>Yes No N/A</p> |

If no, comment: _____

- c. Easements across other sites for project driveways, drainage outfalls, etc., are acceptably reflected in plats for recordation, and covered by maintenance agreements where used jointly with others. — — —

If yes, identify: _____

If no, comment: _____

- d. The Surveyor's Certificate is dated and is acceptable. — — —
 If no, comment: _____

- e. The last Survey revision date is _____ and the survey is acceptable. — — —

If no, comment: _____

- f. Air rights map applies. — — —
 If yes:

- 1) It provides vertical ways to grade for vertical transportation, emergency exits, utilities, trash chutes, etc.

If no, comment: _____

- 2) It provides necessary easements for exterior and interior ingress and egress, emergency exit discharge, services, maintenance, etc. — — —

If no, comment: _____

- 3) Maintenance agreements cover all facilities jointly used with others. — — —

If yes, identify: _____

If no, comment: _____

6. Construction Documents.

- a. The drawings and specifications, including drawing dates and revision dates, conform with those accepted for firm commitment. — — —

If no:

- 1) Revisions are minor, dictated by issues arising after firm, and don't affect construction costs or project value.

— — —
Yes No N/A
Yes No N/A

If no, comment: _____

2) Revised sheets and pages have been inserted in the drawings and specifications and are acceptable. ___ ___ ___

If no, comment: _____

3) Addenda and attachments required for changes from the firm commitment drawings and specifications are included in the project manual. ___ ___ ___

If yes, they are numbered _____
 and dated _____

If no, comment: _____

4) Reprocessing is required, due to changes from the drawings and specifications upon which the commitment was issued. ___ ___ ___

If yes, comment: _____

5) Comments: _____

b. The Master Set and Sets 2 and 3 are signed and initialed per Handbook 4460.1 REV-1. ___ ___ ___

If no, comment: _____

c. The correct wage decision is incorporated in the project manual. ___ ___ ___
 If no, the following are required: _____

d. The wage rate is a special determination. ___ ___ ___
 If yes, expiration date is: _____

7. Construction Contract

a. Drawing sheets, specification pages, and if applicable, addenda numbers and pages, are properly identified. ___ ___ ___

If no, the corrected list/index is attached.

b. The design architect(s) and supervisory architect are correctly listed. ___ ___ ___
 If no, comment: _____

Yes No N/A

- | | | | |
|---|----------|----------|----------|
| <p>c. The amendment to the construction contract for Identities of Interest Between the Contractor, Owner and Architect is attached.</p> <p>If no, comment: _____</p> <p>_____</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>d. The amendment to the construction contract for Payment for Components Stored Offsite, if applicable, is attached.</p> <p>If no, comment: _____</p> <p>_____</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>8. Offsite work is involved.</p> <p>If yes:</p> <p>a. The municipal jurisdiction's installation assurance letter is unconditional and reasonable in its currency.</p> <p>If no, comment: _____</p> <p>_____</p> <p>If N/A, completion assurance is required for the following:</p> <p>_____</p> <p>_____</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>b. Construction contract(s) is/are acceptable.</p> <p>If yes, identify the contract(s) and work:</p> <p>_____</p> <p>_____</p> <p>If no, comment: _____</p> <p>_____</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>c. Drawings and specifications are:</p> <p>1) Included in the construction documents for on-site work and are acceptably segregated by contract limit lines and divisions of the specifications.</p> <p>If no, comment: _____</p> <p>_____</p> <p>2) Included in separate drawings and specifications from on-site work.</p> <p>If yes, identify: _____</p> <p>_____</p> <p>_____</p> <p>3) Comment: _____</p> <p>_____</p> <p>_____</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>9. Owner/Architect Agreement(s)</p> <p>a. The prime architect(s) is/are:</p> | | | |

Yes No N/A

DESIGN _____

SUP _____

b. There is an agreement, B-181, for each prime architect. ___ ___ ___
If no, comment: _____

c. The HUD amendment to the B-181 is referenced in Article 10 of, and attached to each Owner/Architect Agreement. ___ ___ ___
If no, comment: _____

d. Each B-181 identifies the specific services to be performed by the applicable prime architect. ___ ___ ___
If no, comment: _____

e. Article 10 is acceptable for each B-181, and all referenced appendices, addenda, etc., are attached. ___ ___ ___
If no, comment: _____

f. Addendum to Owner-Arch Agreement and/or Construction Contract show(s) an identity of interest for Supervisory Arch. ___ ___ ___
If yes, comment: _____

g. Comment: _____

10. Special Conditions of the Commitment, numbered _____, are considered in this review. Required documents have been submitted and found acceptable for them all.

a. Special Conditions numbered _____ have not been satisfied.
Comment: _____

Yes No N/A

b. The following documents must be submitted:

11. The list(s) of major movable equipment is/are acceptable, where applicable to Sect 221d SRO, 2311 232, and 242 projects.

___ ___ ___

If no, comment: _____

12. Comment: _____

PART II, COST ANALYST REVIEW

13. Two copies of the property insurance requirements are attached and acceptable.

___ ___ ___

If no, comment: _____

14. Agreement and Certification.

a. The amounts shown on the Agreement and Certification are correct.

___ ___ ___

If no, the following are the correct amounts:

b. The contract, including dollar amounts for general overhead and profit has been approved for each identity of interest subcontractor listed in the Certification and Agreement and the Amendment to the Construction Contract.

___ ___ ___

If no, comment: _____

15. Construction Contract.

a. A signed approved cost breakdown, Form HUD-2328, is attached as Exhibit A to the Construction Contract.

___ ___ ___

If no, comment: _____

b. The Inventory and Cost Breakdown for Stored Components, if applicable, is acceptable and attached to Form HUD-2328, Exhibit A to the Construction Contract.

___ ___ ___

If no, comment: _____

Yes No N/A

c. The construction contract price is correct.

___ ___ ___

If no, the correct amount is _____

- d. The contract completion date is correct, and if an early start, reflects Form FHA-2415 modification requirements. — — —

If no, the completion date should be _____

- e. The contract addendum lists identities of interest indicating the need for pre-approval of subcontractor contracts for general overhead and profit. — — —

If yes, comment: _____

- 16. Progress Schedule agrees with the Contract time and is acceptable. — — —

If no, comment: _____

- 17. Assurance of completion for offsite work not done by municipality is required. — — —

If yes, for the following contracts and costs.

	\$	
	\$	
	\$	

- 18. The Mortgagor's and Architect's Certificate(s) is/are consistent with the B-181(s) for prime architects, and Other A&E Fees are reasonable. — — —

If no, comment: _____

- 19. Special Conditions of the Commitment numbered _____, are considered in this review. Required documents have been submitted and found acceptable for them all. — — —

If no:

- a. Special Conditions numbered _____ have not been satisfied.

Comment: _____

- b. The following documents must be submitted;

- 20. Major Movable Equipment is involved (applicable only to 221d SRO, 231, 232 & 242 projects) — — —

If yes:

- a. The instrument evidencing acquisition of equipment is acceptable. — — —

Yes No N/A

If no, comment: _____

b. Listed chattel and values are acceptable for the Financial Statement and Security Agreement (UCC)

— — —

If no, comment: _____

c. Listed chattel and values are acceptable for the Chattel Mortgage.

— — —

If no, comment: _____

21. Comments:

ARCHITECTURAL ANALYST DATE

COST ANALYST DATE

CHIEF ARCHITECTURE AND COST DATE

Initial Endorsement Document Review – Mortgage Credit

12F

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

	Yes	No	N/A
1. Request for Permission to Commence construction prior to Initial Endorsement for Mortgage Insurance, Form FHA-2415, was executed. If yes:	___	___	___
a. Release of liens by the contractor and subcontractors are acceptable. If no, comment: _____	___	___	___
b. The commitment date for the start of principal payment has been modified to reflect the early start of construction. If no, comment: _____	___	___	___
c. Provisions have been made to escrow funds for additive change orders approved during the early start of construction but not yet completed and/or paid. If no, comment: _____	___	___	___
d. Mortgagor/Contractor Agreement to recognize interest costs relating to early start submitted. If no, comment: _____	___	___	___
2. The request for an initial advance is acceptable and funds requested under the construction contract, including any for work under an early start, are supported by a Contractor's Requisition, Form HUD-92448. If no, comment: _____	___	___	___
3. 2530 Clearances.			
a. The mortgagor entity has been cleared pursuant to Form FHA-2530 procedures. If no, comment and steps taken: _____ _____	___	___	___

Yes No N/A

b. Individuals or entities shown in the corporate charter, partnership agreement or incumbency certificate have been cleared pursuant to Form FHA-2530 procedures.

— — —

If no:

The following need clearance:

Actions taken:

c. Individuals or entities shown on the contractor's certification have been approved pursuant to Form FHA-2530 procedures.

— — —

If no:

The following need clearance:

d. All architects and attorneys who have an identity of interest have been cleared pursuant to Form FHA 2530 procedures.

— — —

If no:

The following need clearance:

e. All identified packagers, consultants, project managers and management agents have been cleared pursuant to 2530 procedures.

— — —

If no:

The following need clearance:

4.Partnership Agreement:

a. Credit check, financial review and 2530 clearance are acceptable for each principal partner.

— — —
Yes No N/A

If no, comment: _____

b. Rights and duties of each partner are acceptable. ___ ___ ___

If no, comment: _____

c. Capital investment made/maintained for each partner is acceptable. ___ ___ ___

If no, comment: _____

d. Partnership term equals or exceeds mortgage term. ___ ___ ___

If no, partnership term must be: _____

e. Mortgagor is a single asset mortgagor. ___ ___ ___

If no, comment: _____

f. Partnership Agreement is consistent with the Regulatory Agreement. ___ ___ ___

If no, comment: _____

g. The partnership agreement improperly provides for the mortgagor to indemnify partners and officers against lawsuits. ___ ___ ___

If yes, comment: _____

h. Comments:

5. Corporate Mortgagor.

a. Credit check, financial review and 2530 clearance are acceptable for each principal investor. ___ ___ ___

If no, comment: _____

b. Mortgagor is a single asset mortgagor. ___ ___ ___

If no, comment: _____

c. The articles of incorporation and bylaws are consistent with the Regulatory Agreement and other documents. ___ ___ ___

If no, comment: _____

Yes No N/A

- d. The articles of incorporation and/or by-laws improperly provide for the mortgagor to indemnify board members against suits. — — —
 If yes, comment: _____

- 6. The Agreement and certification is acceptable. — — —
 If no, comment: _____

- 7. The amount shown in the Regulatory Agreement for the Reserve Fund for Replacements is correct. — — —
 If no, the correct amount is _____
- 8. Construction Contract.
 - a. The time for construction is correct. — — —
 If no, comment: _____

 - b. The amount shown for liquidated damages is correct. — — —
 If no, the correct amount is _____
 - c. The contract price agrees with the 2328. — — —
 If no, the correct amount is _____
 - d. The cash upset amount is correct. — — —
 If no, the correct amount is _____
 - e. The Construction Contract Incentive Payment in Article 3 is acceptable in language, amount and computation. — — —
 If no, comment: _____

 - f. The Note amount is approved, if payment is by other than cash. — — —
 If no, the correct amount is _____
 - g. Assurance of completion amount shown in Article 6 is correct. — — —
 If no, the correct amount is _____
 - h. The Cost Breakdown (Form HUD-2328) has been confirmed correct by Arch/Cost. — — —
 If no, comment: _____

 - i. The filing period for monthly advances is acceptable. — — —
 If no, comment: _____

Yes No N/A

- | | | | |
|---|------------|-----------|------------|
| <p>j. The Amendment to the construction contract for identities of interest is attached and acceptable.</p> <p>If no, comment: _____</p> <p>_____</p> | — | — | — |
| <p>9. Advances for Components Stored Offsite are involved.</p> <p>If yes:</p> <p>a. Corporate surety bonds are 100 percent each for performance and payment and are acceptable.</p> <p>If no, comment: _____</p> <p>_____</p> <p>b. The Inventory and Cost Breakdown for Stored Components is attached to Form HUD-2328, Exhibit A to the Construction contract.</p> <p>If no, comment: _____</p> <p>_____</p> <p>c. The construction contract includes the addendum for offsite storage.</p> <p>If no, comment: _____</p> <p>_____</p> | — | — | — |
| <p>10. Assurance of Completion for on-site work.</p> <p>a. The performance and payment bond(s) are for 100 percent each.</p> <p>If no, comment: _____</p> <p>_____</p> <p>b. The bonding company, _____</p> <p>_____</p> <p>is acceptable to write a policy in the stated amount.</p> <p>If no, maximum policy amount is _____</p> <p>c. Completion Assurance Agreement is correct.</p> <p>If no, the correct amount is _____</p> <p>d. Personal Undertaking, Form FHA-2459, is acceptable and in the correct amount.</p> <p>If no, comment: _____</p> <p>_____</p> <p>e. Comment: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> | — | — | — |
| <p>11. The Assurance of Completion for offsite work is acceptable.</p> | — | — | — |
| | Yes | No | N/A |

If yes, in form of:

If no, comment: _____

12. Owner-Architect Agreement fees and Form HUD-92403-1 agree for each design architect.

___ ___ ___

If no, comment: _____

13. The Certificate of Architectural/Engineering Fees agrees with prime architect contract fees and other A&E fee claims.

___ ___ ___

If no, comment: _____

14. Mortgage Note or Rider.

a. The interest rate is the same as shown on the commitment.

___ ___ ___

If no, the correct rate is _____

b. The Mortgage amount is correct.

___ ___ ___

If no, the correct amount is _____

c. The P&I is correct.

___ ___ ___

If no, the correct amount is _____

d. The Commencement of Amortization date is correct.

___ ___ ___

If no, the correct date is _____

e. The ending date for amortization is correct.

___ ___ ___

If no, the correct date is _____

f. The Special Provisions are consistent with other reviewed documents and financing criteria.

___ ___ ___

If no, comment: _____

g. Comments:

15. Mortgage or Mortgage Modification Agreement.

a. The interest rate is the same as shown on the commitment.

___ ___ ___

If no, the correct rate is _____

b. The Mortgage amount is correct.

___ ___ ___

If no, the correct amount is _____

Yes No N/A

c. The P&I is correct.

___ ___ ___

If no, the correct amount is _____

d. The Commencement of Amortization date is correct. ___ ___ ___

If no, the correct date is _____

e. The ending date for amortization is correct. ___ ___ ___

If no, the correct date is _____

f. The Special Provisions are consistent with other reviewed documents and program financing criteria. ___ ___ ___

If no, comment:

g. Comments:

16. Title Policy or Endorsement.

a. Policy amount is _____ which equals or exceeds the mortgage. ___ ___ ___

If no, comment: _____

b. The title company, _____ is acceptable for a policy in that amount. ___ ___ ___

If no, comment: _____

17. The Building Loan Agreement is acceptable.

If no, the following changes are required:

18. The Mortgagee's Certificate is acceptable as to fees, discounts, notes, and other terms, and agrees with firm commitment processing.

If no, the following changes are required:

19. The Sponsor's Certification, Form FHA-3437, for 231 NP or 232 NP proposals is acceptable

If no, comment: _____

Yes No N/A

20. The Guaranty Agreement, for 12-Month Debt Service Escrow for B&C Independent Living Units is acceptable.

___ ___ ___

If no, comment: _____

21. The Financial Requirements For Closing, Form FHA 2283, is attached.

— — —

If no, comment: _____

22. Special Conditions of the Commitment numbered _____ are considered in this review. Required documents have been submitted and found acceptable for them all.

— — —

If no:

a. Special Conditions numbered _____ have not been satisfied.

b. The following documents must be submitted:

c. The following actions have been taken:

23. Mortgagor's Sinking Fund Agreement for Section 232 projects, where medicaid reimbursement based on depreciation plus interest is acceptable.

— — —

If no, comment: _____

24. Major/Minor Movable Equipment is involved (applicable only to Section 221d SRO, 231, 232 and 242 projects).

— — —

If yes:

a. Provisions for mortgagor to finance major and minor movable equipment are acceptable.

— — —

If no, comment: _____

b. The instrument evidencing acquisition of major equipment is acceptable.

— — —

If no, comment: _____

c. The Financial Statement and Security Agreement (UCC) are acceptable.

— — —

If no, comment: _____

Yes No N/A

d. The Chattel Mortgage is acceptable.

— — —

If no, comment: _____

25. Evidence that the mortgagor is able to finance its required minimum financial investment is acceptable.

— — —

If no, comment: _____

Mortgage Credit Examiner

Date

Note: The Hub Director is responsible for securing corrected initial draw documents directly from the mortgagee.

Initial Endorsement Document Review – Valuation

12G

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

	Yes	No	N/A
1. Environmental assessment has been approved, copy attached, and all exceptions cleared.	—	—	—
If no, comment: _____			

2. Survey and Surveyor's Certificate.	—	—	—
a. The property surveyed is the same as that which was appraised.			
If no, comment: _____			

b. A difference in site area affects net value.	—	—	—
If yes, comment: _____			

c. Review of the Survey and Surveyor's Certificate reveals encroachments not previously considered	—	—	—
If yes, comment: _____			

d. Encroachments are acceptable and do not affect value and marketability.	—	—	—
If no, comment: _____			

The following encroachments must be removed prior to closing:			

f. Flood hazard elevations shown on the survey are consistent with environmental assessment clearance assumptions.	—	—	—
If no, comment: _____			

g. Reprocessing is required because of Survey or Surveyor's Certificate identified issues.	—	—	—
If yes, comment: _____			

Yes No N/A

3. Maintenance agreements have been considered in project operating expense. ___ ___ ___

a. If no, processing is required.

b. Comment:

4. Zoning Compliance is unconditional and is reasonable in its currency. ___ ___ ___

If no, comment: _____

5. The lease and is acceptable (leasehold projects only). ___ ___ ___

If no, the following changes must be made:

6. Special Conditions of the Commitment, numbered _____, are considered in this review. Required documents have been submitted and found Acceptable for them all. ___ ___ ___

If no:

a. Special Conditions numbered _____ have not been satisfied.

Comment: _____

b. The following documents must be submitted:

7. Owner's certification listing all federal/state/local government insurance, loan, grant or subsidy programs in which the project/owner will participate and any grants or below-market loans to be received from non-governmental sources is on file (required for all projects). ___ ___ ___

a. If no, comment:

b. If yes, certification is consistent with valuation processing and deed covenant restrictions. ___ ___ ___

If no, comment: _____

8. Owner's Sources and Uses of Funds Statement is on file listing: all funds available; all purposes for which funds will be disbursed; and dates any investor contributions are due. ___ ___ ___

Yes No N/A

If no, comment: _____

9. Deed covenants or other closing documents include low-income occupancy and/or rent restrictions.

— — —

a. If yes:

The basis is: tax credits or tax-exempt bonds (Section 142 d) or tax-exempt bonds (State or local) or local rent restrictions (identify which).

Comment: _____

The deed covenant, and/or other closing document, low-income occupancy and/or rent restrictions are consistent with the IRS tax credit allocation certification, IRS tax-exempt ruling, etc., as applicable, and the assumptions used in valuation processing.

b. If local rent restrictions, then project assistance is provided in the form of: tax exempt bands or CDGB or land write down.

— — —

If yes, identify which:

If no, comment: _____

Certification for providing the assistance is included and consistent with the restrictions.

— — —

If yes, identify form of assistance certification:

If no, comment: _____

c. More than 40 percent of units are subject to low- income occupancy and/or rent restrictions under tax exempt bond or tax credit financing provisions.

— — —

If yes, project is assisted by project based Section 8 subsidy or comparable long-term state/local subsidy.

The basis is: tax credits or tax-exempt bonds (Section 142 d) or tax-exempt bonds (State or local) or local rent restrictions (identify which).

Comment: _____

Yes No N/A

The deed covenant, and/or other closing document, low-income occupancy and/or rent restrictions are consistent with the IRS tax credit allocation certification, IRS tax-exempt ruling, etc., as applicable, and the assumptions used in valuation processing.

___ ___ ___

If no, comment: _____

b. If local rent restrictions, then project assistance is provided in the form of: tax exempt bonds or CDGB or land write down.

___ ___ ___

If yes, identify which:

If no, comment: _____

Certification for providing the assistance is included and consistent with the restrictions.

___ ___ ___

If yes, identify form of assistance certification:

If no, comment: _____

c. More than 40 percent of units are subject to low- income occupancy and/or rent restrictions under tax-exempt bond or tax credit financing provisions.

___ ___ ___

If yes, project is assisted by project based Section 8 subsidy or comparable long-term state/local subsidy, or Headquarters approval letter is on file.

___ ___ ___

If yes, identify which:

If no, comment: _____

10. Title Policy/Endorsement Schedule B Items and/or other identified title exceptions have been considered in project value and marketability or have no effect on them.

___ ___ ___

If no:

Yes No N/A

- a. Reprocessing is required, if the following items/exceptions are not removed:

Comment: _____

- b. The following items/exceptions must be removed under any circumstances:

Comment: _____

11. Comments:

APPRAISER

CHIEF APPRAISER

Date

Date

c. Special conditions numbered _____ have not been satisfied.

Comment: _____

d. The following documents must be submitted:

e. The following actions have been taken:

4. Request For Permission to Commence Construction Prior to Initial Endorsement for Mortgage Insurance, Form FHA 2415, was executed.

If yes: _____

a. Copies were furnished to Arch and MC, and construction started.

If no, comment: _____

b. All known issues arising from the early start have been reconciled. _____

If no, comment: _____

5. EO 12372 Clearance, if applicable, has been received.

6. Chronology of Mortgage Transactions, Form FHA 260, is attached. _____

If no, comment: _____

7. Checks in the amount of \$ _____ for _____, and \$ _____ for _____ must be collected at closing.

8. Owner's certification listing all Federal/State/local government insurance, loan, grant or subsidy programs in which the project/owner will participate and any grants or below market loans to be received from non-government sources is signed and on file (required for all projects). _____

If no, comment: _____

9. The following documents, if applicable, have been signed and returned by the PHA/Owner:

Yes No N/A

a. Annual Contributions Contract (ACC). _____

If no, comment: _____

b. Agreement to Enter into a Housing Assistance Payment Contract (AHAP). ___ ___ ___

If no, comment: _____

c. Housing Assistance Payment Contract (HAP). ___ ___ ___

If no, comment: _____

d. Low-Income Housing Credit Allocation
Certification, IRS Form 8609, HQ review, Exhibits 1-7, and owner's
statement agreeing to notify HUD of any changes. ___ ___ ___

If no, comment: _____

e. Owner's Certification That Project Will Not Participate in the Low
Income Housing Tax Credit (LIHTC) Program. ___ ___ ___

If no, comment: _____

f. IRS tax exemption ruling. ___ ___ ___

If no, comment: _____

g. Other.

10. COMMENTS:

PROGRAM REVIEWER _____

SUPERVISOR _____

DATE _____

Secondary Financing Rider**121**

THIS RIDER is attached to and made a part of the foregoing note(s) (herein, the "Junior Note") and mortgage(s) or deed(s) of trust (herein, the "Junior Mortgage") between _____, referred to herein as the "Mortgagor," and _____, referred to herein as the "Junior Lender" (Collectively, the "Junior Loan Documents"). The terms and conditions of the Rider supersede the terms of the Junior Loan Documents, and, should there be any conflict or inconsistency between this Rider and the Junior Loan Documents, the terms and conditions of this Rider shall prevail. By acceptance of delivery and recordation of the Junior Loan Documents, the Junior Lender agrees to the following provisions. By execution of the Junior Loan Documents, the Mortgagor agrees to the following provisions:

1. The Junior Loan Documents are specifically subordinate to that certain note and mortgage/deed of trust between the Mortgagor and _____ (herein, the "Senior Mortgage") dated _____ and recorded _____ in the real property records of _____ County, _____.
2. The Junior Note may not mature, and may not bear a maturity date, prior to the date on which the Senior Mortgage matures. The term of the Junior Mortgage may be extended if the Junior Note matures, there are no surplus cash funds available for repayment and the Senior Mortgage has not been retired in full or HUD grants a deferment of amortization or forbearance that results in an extended maturity of the Senior mortgage.
3. The Junior Mortgage may be assumed when a sale or transfer of the physical assets occurs under the following conditions:
 - a. Not more than 70 percent of the net proceeds of the sale or transfer is applied to the reduction of the loan.
 - b. For these instructions, net proceeds are the funds available to the original mortgagor after:
 - i. Correcting any monetary or covenant default on the first mortgage, and
 - ii. Making required contributions to any reserve funds and needed improvements to the property as evidenced by HUD's annual inspection reports.
4. If HUD approves a sale of the project pursuant to HUD guidelines for transfers of physical assets, then Junior Mortgagee will agree to such transfer of the ownership of the project.
5. The Junior Note and Junior Mortgage automatically terminate if HUD acquires title to the project by a deed in lieu of foreclosure.
6. All work performed with the proceeds of the Junior Mortgage must be cost certified and must confirm will Davis-Bacon requirements.

7. The Junior Mortgage is subject to and subordinate to the Senior Mortgage, the HUD Regulatory Agreement between HUD and the Mortgagor and the Building Loan Agreement between the Mortgagor and the Senior Mortgagee.
8. Proceeds of the Junior Loan may only be used to cover allowable project costs or an anticipated operating shortfall.
9. Payment Only From Surplus Cash. Check the appropriate alternative below:
 - a. _____ [For junior loans secured by a lien against the project] As long as the Secretary of Housing and Urban Development, or his/her successors or assigns, is the insurer or holder of the Senior Mortgage, any payments due from project income under the Junior Loan Documents, or any prepayments made, shall be payable only from surplus cash of the project, as that term is defined in the Regulatory Agreement dated _____, 20 __, between the Secretary and the Mortgagor, and subject to the availability of such surplus cash in accordance with the provision of said Regulatory Agreement. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by the Junior Note.
 - b. _____ [For junior loans NOT secured by a lien against the project] As long as the Secretary of Housing and Urban Development, or his/her successors or assigns, is the insurer or holder of the Senior Mortgage, any payment due from project income under the Junior Loan Documents, or any prepayments made, shall be payable only from surplus cash of the project, as that term is defined in the Regulatory Agreement dated _____, 20 __, between the Secretary and Mortgagor, and subject to the availability of such surplus cash in accordance with the provisions of said Regulatory Agreement. The restrictions on payment imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by the Junior Note. Junior Lender has no claim and will not later assert any claim for payment against the mortgaged property, the mortgage proceeds, any reserve or deposit made with the Senior Mortgagee or another required by the Secretary in connection with the mortgage transaction, or against the rents or other income from the mortgaged property. The Mortgagor cannot issue a surplus cash not to the principals as evidence of an obligation for payment of the Junior Loan.
10. Mortgagor has obtained the prior written consent of the Senior Mortgagee to the existence of the Junior Loan.
11. To the extent that the Junior Note provides for payment of principal and interest, such principal and interest shall be due and payable on the maturity date of the Senior Mortgage, provided that if the Senior Mortgage is prepaid in full, the holder of the Junior Note, at its option and without notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable. Interest due pursuant to the terms of the Junior Note that is not paid in accordance therewith shall not create any default in the terms of the Junior Note, but shall accrue and be payable in full at the date of maturity of the Senior Mortgage.

12. The Junior Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Junior Mortgagee except with the prior written approval of HUD.
13. The Junior Mortgagee certifies that the Junior Loan Documents represent a *bona fide* transaction and that it fully understands all of HUD's requirements for such secondary financing, and that not prepayment of principal or interest shall be accepted without evidence that the Federal Housing Commissioner has authorized such prepayment. If an unauthorized prepayment is accepted, the funds shall be held by the Junior Mortgagee in trust for the project.