

TCAP PERMANENT LOAN CLOSING CHECKLIST

CPM = DHCR Capital Programs Manual

I. Documents Required Prior to Issuance of Bank Takeout Agreement for the Interim Construction Loan Closing:

- (1) Evidence of commitment of all necessary funds from the sources shown on the HTFC ~~commitment letter~~ written agreement.
- (2) Title Report: No liens or encumbrances other than utility easements and pre-approved restrictions will be permitted by HTFC at permanent loan closing.
- (3) Certified survey of the project property prepared in accordance with CPM §5.03.02. (See II. (6) below)
- (4) Form of construction lender's takeout agreement.

II. Documents for Permanent Loan Closing:

- (1) AIA G704 Form (Certificate of Substantial Completion).
- (2) AIA G706 Form (Contractor's Affidavit of Payment of Debts and Claims).
- (3) AIA G706A Form (Contractor's Affidavit of Release of Liens).
- (4) A lien bond or indemnity bond for the full amount of any outstanding balance on any contract.
- (5) Certificate of Occupancy or Temporary Certificate of Occupancy only if outstanding issues are not health or safety related.
- (6) Insurance Binders (originals) (CPM §7.04 and Legal Documents Manual):
 - a) Name HTFC and State of New York as additional insured and mortgagee (except c) iv).
 - b) For each policy required below provide evidence that the insurer has undertaken not to modify the policy adversely to the interests of any mortgage on the premises or cancel any policy without at least 30 days prior written notice to the holder of any mortgage on the premises.
 - c) Borrower Insurance Binders (originals) CPM § 5.09.01
 - i) fire insurance coverage insuring the mortgaged premises for full replacement value;
 - ii) fidelity bond/crime coverage in minimum amount of three month's rent roll plus value of all project reserves (HTFC named as loss payee);
 - iii) comprehensive general liability insurance in a minimum amount of one million dollars;
 - iv) worker's compensation and disability insurance coverage (HTFC not named insured);
 - v) "Any Auto" automobile coverage in a minimum amount of one million dollars;
 - vi) flood insurance coverage (if applicable).
- (7) Draft counsel's opinion letter. Final version to be dated the day of the permanent loan closing (required format found in the Legal Documents Manual).
- (8) Verification that all conditions for permanent financing required by the HTFC loan ~~commitment letter~~ written agreement have been met:

- a) Design (including SEQRA/NEPA)
 - b) Underwriting
 - c) MBE/WBE ~~and Section 3~~
 - ~~d) OFHEO (marketing plan approval) attached to written agreement~~
 - e)d) Housing Management (approval of management plan (nominals only), necessity for blocked reserve accounts ~~and form of project lease~~)
 - ~~f)e) Special Needs~~
- (9) Copy of the construction lender's final payout letter (include a per diem interest figure, electronic funds wiring account information and ABA#).
- (10) An originally certified copy of a corporate resolution of the Borrower authorizing borrowing from HTFC and designating the individuals authorized to execute documents.
- (11) Title Report (current to within 30 days of submission). No liens or encumbrances other than utility easements and pre-approved restrictions will be permitted by HTFC at loan closing. A mortgagee's policy of title insurance must be issued to HTFC at closing and include the following endorsements:
- * Environmental Protection Lien
 - * ALTA 9 (if affirmative coverage is not available)
 - * Tax Parcel (for NYC projects or where more than one tax parcel is involved)
 - * Cooperative (if applicable)
 - * Condominium (if applicable)
 - * Leasehold (if applicable)
- (12) Certified As-built survey prepared in accordance with CPM §5.03.02. Certified to Borrower, HTFC and the Title Insurance Co. A survey of the premises prepared by a registered land surveyor in accordance with American Land Title Association /American Congress on Surveying and Mapping (ALTA/ACSM) Minimum Standard Detail Requirements for Land Title Surveys and dated or redated not more than 30 days before the closing. The following additional items shall be shown on the survey:
- a) legend of all symbols and abbreviations used;
 - b) vicinity map;
 - c) flood zone designation;
 - d) all improvements including proposed improvements;
 - e) parking areas and, if striped the striping and number of parking places;
 - f) indication of access to the public way such as curb cuts, driveways marked;
 - g) location of all utilities serving the property, including manholes, catch basins, valve vaults or other surface indications of subterranean uses;
 - h) all wires and cables (including their function) crossing the surveyed premises, and the poles on or within ten feet of the surveyed premises, and the dimensions of all cross wires or overhangs affecting the surveyed premises;
 - i) observable evidence of cemeteries; and
 - j) significant observations not otherwise disclosed.
- Either a pdf copy (submitted by the surveyor) or a copy of the survey in a scannable format, on pages no larger than 11 x 17 must be submitted. Multiple sheets are acceptable. Certification may also appear on separate sheets.
- (13) UCC Searches - County level and Secretary of State for applicant, current and proposed owners of the project site, Borrower and all general partners of the above.

(14) For projects built on a leasehold interest, an estoppel certificate is required from the certified fee owner stating that (i) the lease has not been assigned, altered, modified or amended and (ii) the lease is in full force and effect and no defaults now exist in relation thereto.

(15) For projects built on a leasehold interest, the fee owner will be required to consent to and acknowledge the HTFC leasehold mortgage.

(16) Copy of the Amended and Restated Agreement of Limited Partnership/Operating Agreement which contains the provisions found in the Legal Documents Manual (if applicable).

(17) List of names and addresses of the officers, directors and principals for each general partner or managing member of Borrower and a certification disclosing any fiduciary or financial relationships between Borrower and its officers, directors and principals, architect, contractor or major sub-contractors or indicating that there are no such relationships. Provide a "prior participation" certificate for all principals, officers and directors of the sponsor and the Borrower, including those of the general partners or members of the Borrower

(18) An estoppel certificate from the Borrower stating that: (i) the partnership agreement/operating agreement has not been altered, amended or modified since its execution, and (ii) the agreement remains in full force and effect and no defaults currently exist in relation thereto.

(19) Evidence of tax abatement/PILOT (if applicable).

(20) Other Financial Documents - Copies of any documents (promissory notes, mortgages, regulatory agreements) previously executed or proposed to be executed with other lenders, funding sources and/or regulating agencies.

~~(21) Final exhibits for HTFC legal documents.~~

~~Update as necessary and submit:~~

~~a) Proposal Summary~~

~~a) Affordability Plan~~

~~(22)~~(21) Documentation showing that all required project operating and replacement reserve accounts have been established. (Evidence should include the name of the bank where the account is held, account number, balance, and purpose of account) Submit account signature cards if required by housing management. (CPM §7.03)

~~(23)~~(22) Deposit Account Control Agreement between Borrower and Bank directing Bank to furnish information to HTFC regarding project operating and replacement reserve accounts (see form in Legal Documents Manual).

~~(24)~~(23) Copy of LIHC Carryover Allocation.

~~(25)~~(24) Copy of final project development budget.

~~(26)~~(25) For all projects governed by Rent Stabilization or the Emergency Tenant Protection Act (ETPA):

a) Evidence of proper registration with DHCR Office of Rent Administration, including legal rent and HTF rent. (CPM §7.06.03);

III. Final Payout of Retainage

(1) Final lien releases for any previously unfinished contracts.

(2) Submission of a cost certification which meets the requirements of CPM §6.05.

(3) Satisfaction of any outstanding close-out issues described in CPM §6.06.