



The Nuts & Bolts of Servicing a 221(d)(4) Construction Loan

Moderated by: Lena Nazarian, Love Funding

David Jasso, Leetex Group

Charles Greenberg, EDG Architects

Sheila Galicki, HUD Multifamily, Northeast Region

Christine Waldmann Carmody, Pepper Hamilton LLP

LOVE FUNDING

Overview

- Initial Closing/Pre-construction Conference
- Construction Starts!
- Draws & Inspections
- PTO's (Permission to Occupy)
- 100% TRIP Report (Final Completion)
- Submission of Cost Certification(s)
- Issuance of MIM (Maximum Insurable Mortgage)
- Submission of Draft Final Closing Package
- Final Endorsement Closing

Pre-Construction Conference – Northeast Region

- The pre-construction conference (“pre-con”) is typically held on the same day as initial closing; if not possible, will occur before or within 5 days of initial closing.
- Lender has ensured that at minimum, two “master sets” of drawings and specifications have been signed by all authorized agents; one set is contractor’s “job set” stored on site and used to build the project.
- The pre-con is conducted by the third-party inspector (“HUD Inspector”) in place of the HUD Construction Manager.
- Required Attendees: Owner, Contractor, Supervisory Architect, Lender, HUD Representative(s), Bonding Agent, if applicable.
- Purpose: To explain general contract administration, role of attendees during the construction period and procedures for all construction related matters through final completion.

Key Players

- Borrower/Owner (Mortgagor)
- General Contractor
- Supervisory Architect
- HUD Inspector
- Lender (Mortgagee)
- HUD
- Closing Counsel for Final Endorsement

Construction Draw Processing & Monitoring

1. Contractor, Architect, Owner and HUD Inspector schedule a monthly draw meeting at the site to review construction payment application.
2. Contractor prepares Contractor's Requisition, form HUD-92448, monthly for work in place, along with updated construction progress schedule and reviews with Architect and HUD Inspector.
3. Contractor, Architect and HUD Inspector approve and execute HUD-92448
4. Contractor provides copy of executed HUD-92448 to Owner for preparation of Owner's Application for Advance of Mortgage Proceeds, form HUD-92403.
5. Owner submits executed HUD-92403, executed HUD-92448 and all supporting documentation to Lender for review and processing.
6. Lender reviews/approves monthly draw submission, orders title date down, ensures no liens then funds draw and provides copy of approved draw package to HUD.
7. After each site visit, HUD Inspector issues TRIP (inspection) report to HUD.
8. HUD reviews acceptability of TRIP report and provides copy to Lender.
9. Lender may approve all interim draws after initial endorsement; any contractor's requisition that includes retainage reduction requires HUD approval.
10. HUD approves final draw as part of final endorsement closing.

Form HUD-92403

Application for Insurance of Advance of Mortgage Proceeds

Application for Insurance of Advance of Mortgage Proceeds

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0097
(exp. 2/29/2020)

Public reporting burden for this collection of information is estimated to average 2 hours 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. The form is used by mortgagors for funds expended or obligated for construction related items; by mortgagees to request mortgage insurance for funds so advanced. The information will be used by the Department to as its certificate of mortgage insurance for funds it approves for advance. This is a requirement under Section 207, 213, 220, 221, 231, 232, 234(d), 236, 241, 242 and 810 of the National Housing Act, P.L. 479 48 Stat. 1246 U.S.C. et. seq. Furnishing of this information is required to obtain benefits, and failure to provide it may result in your not receiving your benefits.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et. seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

| | | |
|-----------------|----------------|----------------|
| Name of Project | Project Number | Advance Number |
|-----------------|----------------|----------------|

Request for Payment

Instructions to Mortgagor: This request is to be submitted to your mortgagee in triplicate. All items requested shall be clearly identified by description. No item shall be applied for until payment is due. A request covering construction cost shall show one entry for the total payment requested to meet the net amount due according to the Contractor's Requisition (form HUD-92448) attached hereto. The request for the first payment on account of the Architect's cash fee shall be accompanied by the Mortgagor's and Architect's Certificate (form HUD-92403, 1) attached hereto.

To Mortgagee: The undersigned mortgagor hereby requests the mortgagee identified below to advance funds as provided for by the Building Loan Agreement heretofore executed on (mm/dd/yyyy) as indicated by the total amount of the individual payments set forth in the schedule below.

| Item Number and Description | (A) Amount Claimed | (B) HUD-Approved Amt. |
|---|--------------------|-----------------------|
| 1. Construction cost per form HUD-92448 | \$ | \$ |
| 2. Interest from (mm/dd/yyyy) () to (mm/dd/yyyy) () | | |
| 3. Architect's Fee | | |
| 4. | | |
| 5. | | |
| 6. | | |
| 7. | | |
| 8. | | |
| 9. | | |
| 10. | | |
| 11. | | |
| 12. | | |
| 13. | | |
| 14. | | |
| 15. | | |
| Total Due on This Requisition | \$ | \$ |

The undersigned hereby certifies that all of the above items have been paid or will be paid within five (5) days of receipt of the requisitioned funds. We hand you herewith full supporting invoices and/or receipts, as required, covering such items enumerated, to be forwarded with this request to HUD for review. With respect to any item of interest enumerated above, we herewith authorize you to advance same and charge our account therewith. The undersigned further certifies that all prior work, labor, and materials to be paid for under this request are satisfactory and are in accordance with the contract drawings.

| | | |
|-------------------|--|-------------------|
| Name of Mortgagor | By: Signature of Authorized Mortgagor Official | Date (mm/dd/yyyy) |
|-------------------|--|-------------------|

Replaces FHA-2403 which is obsolete
Previous versions of HUD-92403 are obsolete

Page 1 of 2

form HUD-92403 (5/2001)
ref. Handbook 4480.1

For Use by Mortgagee

Instructions: This request is to be submitted to HUD in triplicate (original and all copies must be signed).

To HUD: To the best of our knowledge, information and belief, the sum requested above is now payable. We intend to disburse said sum within five (5) days following the date of your approval. \$ will be advanced from mortgage proceeds; and the undersigned, therefore, requests that you issue a certificate approving the amount of such advance for mortgage insurance. The undersigned certifies that hazard insurance as required by the Department of Housing and Urban Development is in full force and effect upon whatever improvements are now upon the mortgage premises including, but not limited to, materials stored on the site for which an advance is being requested. You are further advised that after the payment herein first mentioned is made, a total sum of \$ will have been disbursed from mortgage proceeds and that the total sum of \$ will have been disbursed from the mortgagor's cash escrow funds required, if any, over mortgage proceeds to complete the project.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

| | | |
|-------------------------------|---|-------------------|
| Name and Address of Mortgagee | By: Signature of Authorized Mortgage Official | Date (mm/dd/yyyy) |
|-------------------------------|---|-------------------|

Certificate of Mortgage Insurance

For Use by HUD

To Above Mortgagee: You are hereby notified that the amounts shown in Column (B) above have been approved for advance in accordance with the provisions of the Building Loan Agreement applicable to the project. Of the above total, \$ is hereby approved for mortgage insurance if advanced by you from mortgage proceeds in accordance with the above request, and this amount, when advanced, will thereupon constitute principal of that certain mortgage dated (mm/dd/yyyy) signed by the above named mortgagor and covering the subject project, which mortgage has been endorsed by the undersigned for insurance to the extent of advances approved by the Federal Housing Commissioner and this certificate does hereby constitute the approval of the Federal Housing Commissioner for mortgage insurance under Section of the National Housing Act and Regulations thereunder for the amount set forth herein, within the meaning of the aforesaid contract of insurance evidenced by such endorsement; provided, that if the above advance constitutes the final advance to be made under the terms of said Building Loan Agreement, this advance shall not be considered insured nor shall the original credit instrument be finally endorsed for insurance unless said instrument is first presented to HUD together with an original and two (2) conformed copies of a Request for Final Endorsement of Credit Instrument (form HUD-92023) completed and executed by both Mortgagor and Mortgagee, and if there are any items of construction still incomplete, as per attached list, the sum of \$ shall have been placed in escrow under the provisions of an Escrow Deposit Agreement (form HUD-2456).

Explanation of Disallowed Amounts: (Attach additional sheets if required.)

| | | |
|--------------------------|--|-------------------|
| Mortgage Credit Examiner | By: Signature of Authorized HUD Official | Date (mm/dd/yyyy) |
|--------------------------|--|-------------------|

Replaces FHA-2403 which is obsolete
Previous version of HUD-92403 are obsolete

Page 2 of 2

form HUD-92403 (5/2001)
ref. Handbook 4480.1

LOVE FUNDING

Form HUD-92448

Contractor's Requisition Project Mortgages

Contractor's Requisition Project Mortgages

To be submitted to mortgagee in quadruplicate

This information is used to verify program benefits consisting of distribution of insured mortgage proceeds when construction costs are involved. The information regarding completed work items is used by HUD to ensure that payments from mortgage proceeds are made for work actually completed in a satisfactory manner. This information is a requirement under Section 207(b) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C. 1701 et seq.) authorizing the Secretary of HUD to insure mortgages. The information collection does not contain information of a sensitive nature.

Public reporting burden for this collection of information is estimated to average 8 hours 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. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0028 (Exp. 09/30/2016)

To (owner)

Requisition Number

Project

Project Number

Location

In accordance with the provision of the Construction Contract dated _____ and Contractor's and/or Mortgage's Cost Breakdown (Schedule of Values) attached thereto, this requisition is submitted for the amount of \$ _____ due for work performed up to the _____ day of _____ and as itemized below by the trades listed in the Schedule of Values.

| DIV | Trade Item | Cost as per Cost Breakdown (A) | Amounts Complete (B) | For HUD-FHA Use (C) |
|-----|----------------------------|--------------------------------|----------------------|---------------------|
| 3 | Concrete | \$ | \$ | \$ |
| 4 | Masonry | | | |
| 5 | Metals | | | |
| 6 | Rough Carpentry | | | |
| 6 | Finish Carpentry | | | |
| 7 | Waterproofing | | | |
| 7 | Insulation | | | |
| 7 | Roofing | | | |
| 7 | Sheet Metal | | | |
| 8 | Doors | | | |
| 9 | Windows | | | |
| 9 | Glass | | | |
| 9 | Lath and Plaster | | | |
| 9 | Drywall | | | |
| 9 | Tile Work | | | |
| 9 | Acoustical | | | |
| 9 | Wood Flooring | | | |
| 9 | Resilient Flooring | | | |
| 9 | Painting and Decorating | | | |
| 10 | Specialties | | | |
| 11 | Special Equipment | | | |
| 11 | Cabinets | | | |
| 11 | Appliances | | | |
| 12 | Blinds and Shades, Artwork | | | |
| 12 | Carpets | | | |
| 13 | Special Construction | | | |
| 14 | Elevators | | | |
| 15 | Plumbing and Hot Water | | | |
| 15 | Heat and Ventilation | | | |
| 15 | Air Conditioning | | | |
| 16 | Electrical | | | |
| | Accessory Buildings | | | |
| 2 | Earth Work | | | |
| 2 | Site Utilities | | | |
| 2 | Roads and Walks | | | |
| 2 | Site Improvement | | | |
| 2 | Lawns and Planting | | | |
| 2 | Unusual Site Conditions | | | |
| 1 | General Requirements | | | |
| 1 | Bond Premium (\$ _____) | | | |

Previous editions are obsolete.

Page 1 of 2

form HUD-92448 (1/91)

| DIV | Trade Item | Cost as per Cost Breakdown (A) | Amounts Complete (B) | For HUD-FHA Use (C) |
|------|--|--------------------------------|----------------------|---------------------|
| 1 | Other Fees (\$ _____) | | | |
| (1) | Subtotal of Breakdown Items | \$ _____ | \$ _____ | \$ _____ |
| (2) | Builder's Overhead | \$ _____ | \$ _____ | \$ _____ |
| (3) | Builder's Profit | \$ _____ | \$ _____ | \$ _____ |
| (4) | Total of Cost Breakdown Items | \$ _____ | \$ _____ | \$ _____ |
| (5) | Inventory of Materials Stored On-site (See Note Below) | \$ _____ | \$ _____ | \$ _____ |
| (6) | Inventory of Materials Stored Off-Site (See Note Below) | \$ _____ | \$ _____ | \$ _____ |
| (7) | Sum of Cost Breakdown Items Plus Inventories of Materials | \$ _____ | \$ _____ | \$ _____ |
| (8) | Less Net Decrease in Cost as a Result of Approved Changes | \$ _____ | \$ _____ | \$ _____ |
| (9) | Total After Adjusting for Net Decrease to Approved Changes | \$ _____ | \$ _____ | \$ _____ |
| (10) | Less Retained 10% | \$ _____ | \$ _____ | \$ _____ |
| (11) | Bal., Total Amount Due to Date on Account of Construction Contract | \$ _____ | \$ _____ | \$ _____ |
| (12) | Less Previous Payments | \$ _____ | \$ _____ | \$ _____ |
| (13) | Net Amount of This Requisition | \$ _____ | \$ _____ | \$ _____ |

I certify that the Work covered by this requisition has been completed in accordance with the Contract Documents, and that I have actually received \$ _____ for Work performed and materials purchased up to the _____ day of _____ (date of previous requisition).

| Date | Net Amount Approved for Payment | Column C Completed by (Mortgage Credit Examiner) |
|------|---------------------------------|--|
| | | |

Reviewed and Approved by: (Chief, Mortgage Credit) _____ Director, Housing Development

Architect's Certificate I certify, based on my on-site observations (or those of my authorized representative) and the data comprising this requisition, that the Work has progressed to the point indicated; that to the best of my knowledge, information and belief the Work is in accordance with the Contract Documents; and that the Contractor is entitled to payment of the amount certified.

Date _____ Architect _____

Inspector's Certificate ☐ Amount Modified ☐ No Modification

I certify that I have visited the site on this date _____, observed the Work, and monitored the log and reports of the Architect (if an architect is administering the Construction Contract); that to the best of my knowledge, information and belief the amount certified represents acceptable Work; and that I have no personal interest, present or prospective, in the property, applicant or proceeds of the mortgage.

Date _____ Inspector _____

Contractor's Prevailing Wage Certificate (For use under all sections of the National Housing Act requiring certification as to payment of prevailing wages. To be completed with each request for insurance of advance of mortgage proceeds which includes a payment on account of construction cost, or at the time the mortgage is presented for insurance pursuant to a commitment to insure upon completion.)

Manager _____ Project Name _____

Field Office _____ Project Number _____

The undersigned, as principal contractor in connection with the construction of the above project, states that he/she is fully familiar with applicable wage determination decision of the Secretary of Labor and certifies that:

a. A copy of the applicable wage determination decision is posted in a conspicuous place at the site of the work and he/she has required each subcontractor as a part of his/her contract, to agree to pay wages at rates not less than those contained in the decision.

b. All laborers and mechanics employed in the construction of the project have been, to the date hereof, paid for such employment at wage rates not less than those contained in the applicable wage determination decision of the Secretary of Labor and no deductions or rebates have been made, either directly or indirectly, from the full weekly wages earned by any person, other than permissible deductions as defined in Regulations of the Secretary of Labor, Part 3 (29 CFR Part 3).

c. He/She has fulfilled his/her obligations, to the date hereof, under The Labor Standards Provisions of the Supplementary Conditions of the Contract for Construction and has included said conditions in all subcontracts.

This certificate is executed by the undersigned for the purpose of inducing the Commissioner to approve for insurance that certain mortgage loan, or an advance thereof, made or to be made by the mortgagee in connection with the construction of the project, and with the intent that the Commissioner rely upon this certification to establish compliance with the provisions of Section 212 of the National Housing Act, which provides in part: The Commissioner shall not insure ... unless the principal contractor files a certificate ... certifying that the laborers and mechanics ... have not been paid not less than the wages prevailing ... as determined by the Secretary of Labor."

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 323, 3802).

Contractor _____ By _____ Date: _____

Previous editions are obsolete. Page 2 of 2 form HUD-92448 (1/91)

LOVE FUNDING

Change Orders & Classifications

All changes to construction drawings & specifications and requests for time extensions must be submitted on form HUD-92437, Request for Construction Changes on Project Mortgages, and include supporting documentation, along with a letter from the Architect classifying the change as one of the following:

- Necessary Latent (hidden) conditions; changes in building codes, ordinances, etc. after initial closing; architect's/engineer's omissions; damage to completed construction.
- Betterment Economically justified by increasing net income, reducing long-term maintenance and/or operating expenses or otherwise enhances the mortgage security.
- Equivalent Substitution, if specified item is no longer available or it reduces contract price; must provide equal or better utility and performance.
- Time Extension Delay is beyond Contractor's control and documented or associated with an approved change order; accompanied by Surety's written consent, if applicable.

The HUD-92437 must be initialed by the HUD Inspector and signed by the Borrower, Contractor, Architect & Lender then submitted by the Lender to HUD for approval.

Change Order Funding & Contingency

- Lender ensures that there is adequate funding for all proposed change orders.
- Payment for approved and completed change order work is billed separately using form HUD-92464M, Request for Approval of Advance of Escrow Funds.
- HUD-92464M includes certification by Architect and HUD Inspector that all work covered by the change order has been acceptably completed in accordance with contract documents.
- Substantial Rehabilitation Projects: Contingency funds are included in the mortgage and used to fund approved “necessary” change orders. After substantial rehab is complete, any remaining contingency may be used for further upgrades/betterments, an initial deposit to the replacement reserve or to reduce the mortgage principal balance.
- New Construction Projects: Contingency reserve (2% of the loan amount) is established within the Working Capital Escrow funded by the Borrower and used to pay for approved “necessary” change orders and construction cost overruns. Any unused contingency is returned to the Borrower at final endorsement closing.
- Approved “betterment” change orders are not funded from above described contingencies during construction; Lender establishes a separate escrow funded by other sources.

Retainage Reduction

The construction contract provides for a standard 10% holdback (retainage). If retainage reduction during the construction period has been agreed upon by Owner and Contractor, it is established by a rider to the contract which describes how retainage is reduced according to the guidance below:

- Contractor has no identity-of-interest with the Owner that is greater than a 5% equity interest in the ownership entity.
- Prior written consent from Surety (when bond involved) must be obtained and attached to the request for reduction.
- Contractor's performance is acceptable with regard to quality and progress of the work, changes to the work and compliance with contract documents (including satisfaction of all Davis-Bacon payroll requirements).

Assuming the above conditions are met and subject to Lender and HUD approval:

1. 10% retainage held until 50% completion, then reduced to 5%
2. 5% retainage held until 75% completion, then reduced to 2.5%
3. 2.5% retainage held until Final Endorsement closing

HUD Permission to Occupy (PTO)

- Permission to Occupy (PTO) form HUD-92485 is executed by HUD before Borrower permits occupancy of any units.
- Property is inspected and PTO is signed by Contractor, Borrower, Architect, HUD Inspector, Lender then submitted by Lender to HUD for approval.
- Units must have safe means of ingress and egress.
- Include Certificate of Occupancy (“C of O”) or equivalent permit from the governing municipal authority for review.
- Include accord or certificate of property and liability insurance from the Borrower’s insurance company for review.
- PTO may be submitted and approved with a temporary C of O; however, final certificates must be issued for final endorsement closing.

Final Inspection/100% Completion

- HUD inspector issues HUD-95379 TRIP Report showing 100% completion; lists any items of delayed completion and estimated cost to complete.
- Architect determines that all punch list items have been completed (*except any items of delayed completion, beyond contractor's control*).

Required Documents

- Final change orders (*no change orders processed after final completion*)
- Permission to occupy (PTO) forms, if not previously submitted
- HUD-92448 Contractor's Requisition for 100% completion
- Surveyor's Report
- Final ALTA Survey
- Final payment requests for completed change order work or offsite work
- Copy of transmittals of all contract close-out items to Owner (*per specs*)

Cost Certification(s) and Issuance of Maximum Insurable Mortgage (MIM)

- The purpose of the cost certification (form HUD-92330) is to certify Borrower's actual costs, including Contractor's cost, and establish the maximum insurable mortgage for final endorsement.
- The substantial completion date is the effective date for cost certification; however, Borrower has the option to select a cut-off date up to 60 days beyond substantial completion to include additional incurred soft costs.
- Submission date for Borrower is within 30 to 45 days after selected cut-off date.
- When Borrower is required to cost certify, the Contractor must also certify (form HUD-92330-A) if construction contract is Cost Plus.
- Lender submits and HUD reviews cost certification(s) and issues Maximum Insurable Mortgage (MIM), form HUD-92580 establishing final loan amount.

Final Endorsement Closing Checklist

| Item | | HUD Form | # | Status and Comment |
|--|---|------------------------|---|---|
| FHA Commitment | | | | |
| 1. | a. FHA Firm Commitment, with Exhibit B Additional Conditions | Housing Notice 2018-03 | C | Include all attachments. |
| | b. Amendments | | C | If applicable. |
| | c. Assignments | | C | If applicable. |
| Organizational, Due Diligence, and Other Supporting Documents | | | | |
| 2. | Borrower's Incumbency Certificate with Organizational Documents attached | | O | Update checklist as appropriate for entity type. |
| | a. Filed formation documents, from Secretary of State, as amended | | C | E.g., Articles of Organization, Certificate of Limited Partnership, or Articles of Incorporation. Certified within 30 days of closing. |
| | b. Operating Agreement/Partnership Agreement / Bylaws, as amended | | C | Must include HUD-required provisions and be certified by Borrower as current and correct. Include provision that prohibits any changes that affect the obligations of the tax credit investor without written consent of Lender and HUD, if applicable. |
| | c. Authorizing Resolution | | C | If applicable (authority may be granted in governing agreement). |
| | d. Status certificate | | C | Dated within 30 days of closing. |
| | e. Qualification to Do Business in Project State | | C | For out-of-state entities, if applicable. |
| 3. | For multi-tier entities, Borrowers are required to submit and list organizational documents for entities that appear in the Borrower's signature block in the loan documents. | | O | If applicable. Update checklist as appropriate, patterned after item 2 above. |
| 4. | ALTA Survey Plat with HUD Survey Certification | | O | Dated within 120 days of closing. |
| 5. | HUD Survey Instructions and Surveyor's Report | HUD-91073M | O | Last inspection within 120 days of closing. |
| 6. | Title Insurance Policy, with HUD-required endorsements | | O | 2006 ALTA form, where approved for use in the applicable jurisdiction. Either a new policy or a date-down endorsement updating the original policy to final endorsement date. |
| | a. Title Exception Documents | | C | Any exceptions filed since Initial closing must be consistent with Firm Commitment. |
| | c. ALTA Closing Protection Letter | | C | If applicable. |
| | d. Title Agent Letter of Authority | | C | If applicable. |

Final Endorsement Closing Checklist (con't)

| | Item | HUD Form | # | Status and Comment |
|--|--|--------------------------------|---|---|
| 7. | Opinion of Borrower's Counsel | HUD-91725M | O | <i>If and as applicable. See Closing Guide § 2.10.E. Must include appropriate attachments.</i> |
| | a. Certification of Borrower | HUD-91725M-CERT | O | |
| | b. Supporting legal opinion | | C | <i>E.g., tax-exempt bonds and/or /LIHTC, property jurisdiction.</i> |
| | c. List of pending litigation | | C | <i>If applicable.</i> |
| 8. | Increase in Mortgage Insurance Premium (MIP) Pay.gov Receipt | | O | <i>If applicable.</i> |
| 9. | Certificate of Occupancy | | C | |
| 10. | Lender's Current Payment Letter and Certificate | | O | <i>See Closing Guide 2.10.I.</i> |
| 11. | Operating (or Income and Expense) Statement | | O | <i>If Project is exempt from cost certification; see Ex. B to Firm Commitment.</i> |
| 12. | Borrower's Evidence and Certification of Green Energy Compliance | | C | <i>If Project qualified for reduced MIP; see Ex. B to Firm Commitment.</i> |
| 13. | Final Letter of Map Amendment or Map Revision | | C | <i>If Project is subject to CLOMA or CLOMR; see Ex. B to Firm Commitment.</i> |
| 14. | Radon Report | | C | <i>If applicable.</i> |
| HUD Loan, Closing, and Escrow Documents | | | | |
| 15. | Note (Multistate) | HUD-94000M | C | <i>With final endorsement.</i> |
| 16. | Modification and Consolidation Agreement | | O | <i>If applicable.</i> |
| 17. | Allonge or Supplemental Note | HUD-94001M, if applicable | C | <i>If applicable. Include state-specific requirements, if any.</i> |
| 18. | Modification to or Supplemental Security Instrument | HUD-94000M & state addendum | O | <i>If applicable. Include state-specific requirements, if any.</i> |
| 19. | Request for Final Endorsement of Credit Instrument | HUD-92023M | O | |
| 20. | Maximum Insurable Mortgage | HUD-92580 | O | |
| 21. | Cost Certification | HUD-92330 & 92330-A | O | <i>Unless Project is exempt from requirement pursuant to Program Obligations and as indicated in the Firm Commitment.</i> |
| 22. | Application for Insurance of Advance of Mortgage Proceeds | HUD-92403 | O | |
| 23. | Contractor's Requisition | HUD-92448 | O | |
| 24. | Davis-Bacon and Labor Standards Clearance | | C | |
| 25. | Labor Standards Deposit Agreement | HUD-4732 | O | <i>If required.</i> |

Final Endorsement Closing Checklist (con't)

| | Item | HUD Form | # | Status and Comment |
|--|---|------------|---|--|
| 26. | Escrow for Incomplete Construction | HUD-92456M | O | <i>If applicable</i> |
| 27. | Other escrow agreements | | O | <i>If applicable, see Firm Commitment. List as appropriate. E.g., deposit agreement for Davis-Bacon non-compliance, excess mortgagee proceeds escrow, Latent Defects escrow, and escrow for unpaid construction costs, repairs, or needs assessment.</i> |
| Secondary Financing Loan Documents (Including Bridge Loans), Restrictive Covenants (including bond/LIHTC), and Commercial Leases | | | | |
| 28. | If there are any new documents related to secondary financing, tax credits, bonds, or commercial leases since initial closing. Must be consistent with the Firm Commitment and Program Obligations. See Initial Closing checklist for requirements. | | | |
| HUD Administrative Documents and Additional Requirements | | | | |
| 29. | Administrative Memo with attached Waivers and HUD-2 forms | | O | <i>If applicable.</i> |
| 30. | Environmental Reports | | C | <i>If applicable.</i> |
| 31. | Attendance List | | O | <i>If closing by mail, include contact list for parties involved.</i> |
| 32. | Deal-specific conditions included in Firm Commitment | | | <i>If applicable.</i> |
| 33. | State law specific conditions included in Firm Commitment. | | | <i>If applicable.</i> |

HUD Contacts – Northeast Region

The Northeast Region MF Production has gone electronic. Please submit post-closing requests for Requisitions, NCR Escrows, Change Orders, IOD Release, WC Draw, etc. to the following:

Property Location (MD, VA, WV, DC, DE)

mf.bal.tech@hud.gov

Stephen Gray, Construction Manager

Property Location: (MA, CT, NH, VT, ME, RI)

mf.bos.tech@hud.gov

Jerry Sechovicz, Construction Manager

Property Location: (NY, NJ, PA)

mf.nyc.tech@hud.gov

Tom Scully, Construction Manager