

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

TRANSFER OF OWNERSHIP & CONDUIT BOND FINANCING

DOCUMENT CHECKLIST

*The New Jersey Housing and Mortgage Finance Agency (“Agency”) intends to provide financing for this project through the issuance of taxable or tax-exempt bonds. The requirements listed in Section I of this checklist must be satisfied prior to **Declaration of Intent**. The requirements listed in Section II of this checklist must be satisfied prior to a **Mortgage Commitment**. And the requirements in Section III of this checklist must be satisfied prior to the **Issuance of Bonds/Closing**. Transfer of Ownership requirements for a Full Review under N.J.A.C. 5:80-5.6.*

PLEASE NOTE the Conduit Bond Program remains a demonstration program for the Agency at this time. The Agency reserves the right to require additional documentation as deemed necessary throughout this conduit bond demonstration program.

DATE LAST UPDATED:

PROJECT NAME:

PROJECT NUMBER:

Project Address:

City:

County:

Block:

Lot:

of Units:

Type of Tax Credits:

Set Aside:

Const. Period:

Population:

Type of Conduit Bond: (DIRECT PURCHASE/PLACEMENT; FANNIE MAE/FREDDIE ENHANCED; CASH COLLATERAL DEAL, ETC.)

COMMITMENT EXPIRATION DATE:

Closing Targeting Schedule**

Targeted Closing Date:	
DOI Board Meeting Date	
Commitment Board Meeting Date	
Bond Documents Board Meeting Date	

Please keep in mind that this is a targeted schedule that is meant to assist you in reaching your closing goal. These dates are subject to change.

AGENCY PARALEGAL:

Phone #:

Fax #:

e-mail:

DEPUTY ATTORNEY GENERAL (Capital Markets): Brian McGarry

e-mail: brian.mcgarry@dol.lps.state.nj.us

DEPUTY ATTORNEY GENERAL (Multifamily):

Phone #:

Fax #:

e-mail:

AGENCY CREDIT OFFICER:

Phone #:

Fax #:

e-mail:

AGENCY Capital Markets:

Phone #:

Fax #:

e-mail:

SPONSORING ENTITY/BORROWER (Buyer):

Contact Person:

Address:

Phone#: Fax #: e-mail:

BORROWER’S ATTORNEY:

Phone#: Fax #: e-mail:

SELLER:

Contact Person:

Address:

Phone#: Fax #: e-mail:

SELLER’S ATTORNEY:

Contact Person:

Address:

Phone#: Fax #: e-mail:

BOND COUNSEL:

Phone#: Fax #: e-mail:

UNDERWRITER / PURCHASER:

Phone#: Fax #: e-mail:

UNDERWRITER’S / PURCHASER COUNSEL:

Phone#: Fax #: e-mail:

LOAN SERVICER:

Phone#: Fax #: e-mail:

LOAN SERVICER’S COUNSEL:

Phone#: Fax #: e-mail:

CREDIT ENHANCEMENT PROVIDER:

Phone#: Fax #: e-mail:

CREDIT ENHANCEMENT PROVIDER’S COUNSEL:

Phone#: Fax #: e-mail:

TAX CREDIT SYNDICATOR:

Phone#: Fax #: e-mail:

TAX CREDIT SYNDICATOR’S COUNSEL:

Phone#: Fax #: e-mail:

TRUSTEE: U.S. Bank, National Association

Christopher Golabek.....

e-mail: Christopher.golabek@usbank.com

TRUSTEE’S COUNSEL:Connell Foley

Paul McGovern

e-mail: pmcgovern@connellfoley.com

TITLE COMPANY:

Phone#: Fax #: e-mail:

GENERAL CONTRACTOR:

Phone #: **Fax #:** **e-mail:**

Code to Document Requirements:

- A - Document Received and Approved
- NA - Not Applicable
- R - Document Received and either (1) Under review or (2) Requires modification or update as indicated
- * - An asterisk indicates that a New Jersey Housing and Mortgage Financing Agency form document must be used

All items are required to be submitted by the Borrower unless otherwise noted.

I. DECLARATION OF INTENT

___ UNIAP – Low Income Housing Tax Credit Application for Current Year (if applicable)

___ Evidence of Site Control

- ___ Deed
- ___ Option Agreement
- ___ Contract of Sale
- ___ Redevelopment Agreement
- ___ Ground Lease or Option to Enter into Ground Lease (keep in mind it is not the same as the Option Agreement listed above) **(Ground Lease Fee)**
- ___ Condominium Requirements, if applicable:
 - ___ Condominium Association By-laws
 - ___ Master Deed
 - ___ Certificate of Formation for Condominium Association
 - ___ Other

___ Preliminary Site Plan Approval, if applicable

___ Disclosure of all Financing Information (**List All**)

___ Preliminary CNA, Scope of Work (*Preservation projects only*)

___ Resolution of Need from Municipality* (*may be included in municipal resolution granting payments in lieu of taxes*) N/A for projects with an existing Agency mortgage loan being refinanced under the Preservation Loan program. Resolution IS required for all other Preservation Loan projects not currently in the Agency’s portfolio. If a project is no longer under the Agency’s regulatory oversight/affordability restrictions, a new Resolution of Need is required. The resolution runs with the project, not with the owner; therefore, if there is a transfer of ownership/sale during the permitted pre-payment period and the project is therefore still under Agency oversight), a new resolution is not required.

___ Conduit Bond Financing Structure Finalized

NJHMFA (All documents in this section will be prepared by NJHMFA):

- ___ **Site Inspection Report** (Date Approved _____)
- ___ Board Resolution for Declaration of Intent (Date Approved _____)
- ___ Declaration of Intent Letter (Date Issued _____)

II. FINANCING COMMITMENT

Authorization to Transfer/Acquire Ownership (TOI):

- ___ Written request from Owner of project providing complete description of transfer.
- ___ Resolution/Certification of Owner to sell*
- ___ Resolution/Certification of Buyer to acquire title, borrow funds, execute documents, etc.*
- ___ DCA approval of the Transfer of Ownership from the LD entity, if applicable.

Financial (TOI):

- ___ Agency Fees (Transfer of Ownership fees)
 - ___ Non-Refundable Fee: \$5,000.00
 - ___ Processing Fee: \$5,000.00, as applicable (*Note: The \$5,000 buyer's deposit, though non-refundable, can be applied toward amounts due to the Agency at closing. For a full review, we charge a \$5,000 seller's fee. The \$5,000 buyer's deposit can be applied to the seller's fee due at closing. Therefore, in reality, there will be only \$5,000 due for the transfer fee.*)

Municipal / Other Approvals (TOI):

- ___ Resolution (certified as true copy by municipal clerk) assigning tax abatement agreement to Buyer*
- ___ Agreement assigning Tax Abatement to Buyer (fully executed and certified as true copy by municipal clerk)*(if applicable)
- ___ HUD Approval of Previous Participation Certificate (HUD Form #2530) for Buyer, Managing Agent, Consultant and other Principal Participants Including INVESTOR Member

- ___ Formation Certificate for Sponsor/Borrower and Managing Entity, as applicable (Advise NJHMFA prior to formation if contemplating an Urban Renewal entity N.J.S.A. 40A:20-1 et seq.) (*New Jersey Secretary of State Authorization to do Business in New Jersey for any Out-of-State Sponsoring Entity*)
 - ___ Certificate of Limited Partnership (Partnership)
 - ___ Certificate of Formation (Limited Liability Company)
 - ___ Certificate of Incorporation (Corp.)
 - ___ Certificate of Formation for Managing Member, if applicable

- ___ Corporate Certification and Questionnaire*, as applicable
 - ___ Sponsoring Entity/Borrower
 - ___ General Partner (Limited Partnership)
 - ___ Managing Member (Limited Liability Company)
 - ___ Other entity owning 10% or greater interest in sponsoring entity
 - ___ Updating Affidavit for Questionnaire, if applicable

- ___ Personal Questionnaire for Directors and Officers of Sponsoring Entity/Borrower, Individuals Serving as General Partner or Managing Member, and any individual owning 10% or greater

interest in sponsoring entity, or in the General Partner or Managing Member entity* (For non-profit entities controlled by a Board of Directors, Personal Questionnaires should be provided for any officer of the Board.)

___ Updating Affidavit for Questionnaire, if applicable

___ Criminal Background Check for Directors and Officers of Sponsoring Entity/Borrower, Individuals Serving as General Partner or Managing Member, and any individual owning 10% or greater interest in sponsoring entity, and General Partner or Managing Member entity* (Any individual submitting a Personal Questionnaire must submit a Criminal Background Check. For non-profit entities controlled by a Board of Directors, Criminal Background checks should be provided for any officer of the Board.) (Search results are valid for 18 months from date received.)

___ Resolution Granting Preliminary AND/OR Final Site Plan Approval, Subdivision and Any Zoning Variances from Municipality and County, if applicable. For Special Needs projects, refer to Special Needs Program document checklist requirements.

___ Municipal Resolution Granting Payments in Lieu of Taxes*, (if applicable)

___ Agency statute is N.J.S.A. 55:14K-37.

___ The Long Term Tax Abatement falls under N.J.S.A. 40A:20-1 et seq.

___ OTHER

___ Environmental Certification (Phase I, if applicable) (along with written Confirmation from Credit Enhancement Provider that Phase I is acceptable)

___ Financing Commitments (**List All**)

___ Evidence of Credit Enhancement Availability to Borrower for Project

___ Evidence of Application for Rental Assistance, if applicable

___ Affirmative Fair Housing Marketing Plan*

___ Construction Contract (for Construction, Construction/Permanent Financing projects)

Agency Addendum to Contract is required* **Prevailing Wages are required**

If there is HUD financing in the deal then the Agency defers to the HUD form of document.

___ **Pre-submission meeting** at NJHMFA with Technical Services staff architect: Prior to submittal of the final drawings, it is required to schedule a meeting with Technical Services' staff to review the information to be submitted, in order to ensure, that the documents will contain all the information required for Agency approval. (Date of Meeting ___)

___ **Construction Documents and Project Manual** (in CSI format) *must be submitted electronically in PDF format*, and shall consist of Final (100%) Contract Documents showing all required construction details, cross-sections, and other information necessary to constitute a construction-ready set of project construction documents consistent with the construction contract and with all sheets bearing the same date. The drawing set must include, at a minimum:

- Approved Final Site Plans and Final Subdivision Plans (if applicable);
- Civil Engineering Drawings;
- Architectural Drawings; - Mechanical/Electrical/Plumbing (MEP) Drawings; - Structural Drawings; - Fire Alarm/Suppression Drawings;
- All required construction details; and,

- A detailed project cost estimate by trade.

____ **Architect's Certification and Drawing List** (Date Received _____) (Date Approved _____)

There is to be a separate certification on Architect's letterhead bearing signature and seal stating: This will certify that the accompanying drawings entitled "PROJECT NAME", dated "DATE OF LATEST REVISION", consisting of the documents set forth below, have been reviewed by this office and are complete, code compliant, consistent across the disciplines, and issued **for construction**. Attach *List of submitted drawings, manuals, etc.*

____ **Rack Set - Prior to the beginning of construction, one full-size, construction-ready, paper set, signed and sealed by the architect, including civil drawings, shall be sent in to Technical Services.** (Date Received _____) (Date Approved _____)

____ Borrower Selection of Underwriter

____ Market Analysis

____ CNA, Scope of Work (*Preservation projects only*)

____ Acquisition Credit Opinion Letter (if applicable)

NJHMFA (All documents in this section will be prepared by NJHMFA):

____ Bond Counsel Retained on Behalf of the Agency

____ Appraisal/Market Study (Date Received _____) (Date Approved _____)

STATUS: _____

____ Updated Appraisal/Market Study, (If applicable) (Date Received _____) (Date Approved _____)

____ Agency Board Resolution Authorizing Mortgage Commitment & Board approved action for transfer of ownership (Date Approved _____)

____ Commitment Letter and Indemnification Deposit (If applicable) (Date Approved _____)

III. BOND DOCUMENTS APPROVAL

NJHMFA (After issuance of Agency Commitment):

____ Board Resolution with Bond Documents (Date Approved _____)

IV. ISSUANCE OF BONDS/CLOSING

____ DRAFT Operations Agreement with all Exhibits attached for Borrower entity and General Partner(s) or Managing Member(s) (as applicable) (Final needed at Closing) (*HMFA Statement required for sponsoring entity only- assigned paralegal can provide required HMFA language*) (Date Received _____) (Date Approved _____)

STATUS: _____

____ DRAFT Closing Memorandum with breakdown of fees and funds

_____ Post Issuance Compliance Procedures Manual and Signed Acknowledgment of Same (*pricing*)

_____ TEFRA Notice/TEFRA Hearing Date: _____

_____ FINAL Executed Operations Agreement with all Exhibits attached for Sponsoring Entity (Final needed at Closing) *assigned paralegal can provide required HMFA language*

_____ Certificate of Good Standing - Current within 30 days of **closing**

- _____ Borrower
- _____ Managing Member/General Partner
- _____ Investor Member
- _____ OTHER member over 10%

_____ Formation Certificate **and** Certificate of Good Standing for Investor Member within 30 days of **closing**

_____ New Jersey Division of Taxation Tax Clearance Certificate (for Borrower)
Questions may be directed to 609-292-9292 or via email at Premier Services Registration.
Date of Clearance: _____ (*Valid for 180 days*)

_____ Written Confirmation from Credit Enhancement / Purchaser Provider that Project Insurance is acceptable as provided along with the Insurance Certificates (*NJHMFA to be named in Certificate as additional insured – HMFA Insurance Department must approve in addition to Credit Enhancer*) (*pricing*)

_____ Sales Tax Exemption, (If applicable) (*Assigned paralegal can provide forms*)

_____ Copy of Title Insurance Commitment for new financing, including all searches and copies of instruments of record, and first lien endorsement to NJHMFA

NOTE: *Affirmative insurance required for any exceptions in commitment that will remain at the time of closing.*

- _____ Tax Search
- _____ Assessment Search
- _____ Notice of Settlement
- _____ Municipal Water/Sewer Utility Search
- _____ Evidence of payment of taxes, if applicable
- _____ Evidence of payment of utilities, if applicable
- _____ Judgment Search
- _____ Sponsoring Entity
- _____ General Partner(s)/Managing member(s)
- _____ Corporate Status and Franchise Tax Search, if applicable
- _____ Tidelands and Wetlands Search
- _____ Flood Hazard Area Certification
- _____ Closing Protection Letter for Title Officer Attending Closing
- _____ Survey Endorsement insuring final survey without exceptions
- _____ Title Rundown Confirmation (in writing)
- _____ Copies of All Instruments of Record
- _____ First Lien Endorsement, (and/or Second Lien, etc.,) if applicable
- _____ Environmental 8.1 Endorsement

- _____ Evidence of payment of current condominium fees/assessments, if applicable
- _____ Arbitration Endorsement
- _____ Additional Endorsements as may be required depending on project type :
 - _____ ALTA 13.1 - Leasehold endorsement, if applicable
 - _____ ALTA 9 – Restrictions, Encroachments, Minerals, if applicable
 - _____ ALTA 18 Multiple Parcels Endorsement (if scattered site project)
 - _____ ALTA 5.1 – Planned Unit Development, if applicable
 - _____ Condominium Endorsement, if applicable

_____ Survey (2 Sealed Originals Certified to Sponsor, NJHMFA and Title Company)
 A “Flood Elevation Certificate” on the DEP Form and certified by a professional should be submitted with the Survey.

_____ Final Site Plan Approval (if applicable)

_____ 42m Letter (*pricing*)

_____ Deed of Easement for LIHTC (*please contact HMFA Tax Credit Department*)

_____ Building Permits (*pricing*)

_____ FINAL signed Closing Memorandum with breakdown of fees and funds

_____ Payment & Performance Bonds (*if construction project and if required by enhancer/purchaser NJHMFA to be named*)

_____ Amortization schedules for **Direct Purchases**

_____ Attorney Transactional Documents:

- _____ Counsel Opinion from Sponsor, Attorney* for loan closing.
- _____ Seller's Affidavit of Title and Corporate Resolution to Sell (if applicable)
- _____ Mortgagor's and/or Grantee's Affidavit of Title*
- _____ Resolution to Borrow*/Resolution to Accept Grant Funds*, as applicable
- _____ Bulk Sales Tax
- _____ Copy of Deed from Seller to Buyer with Affidavit of Consideration
- _____ Bill of Sale, if applicable

Title Insurance Requirements/Legal Documents / HUD (TOI):

- _____ Attorney's Opinion Letter certifying Buyer's ability to purchase, enter into documents regarding mortgage, etc.*
- _____ Attorney's Opinion Letter certifying Seller's ability to convey title, etc. (to include reference to compliance with N.J.S.A. 55:16-8 or 9.2)*
- _____ Seller's Affidavit of Title (to include reference to compliance with N.J.S.A. 55:16-8 or 9.2)*
- _____ HUD Approval, (i.e. Transfer of Ownership, HAP and any Assignment of HAP), if applicable (*posting*)
- _____ Assignment of HAP Contract* or HAP Contract, if applicable
- _____ Certificate of Occupancy for Project or letter from Municipality indicating same is not required upon sale of this Project

NJHMFA:

_____ Satisfaction of Agency Board Commitment/ Closing Requirements, if any.

- ___ Closing Proforma/Cash Flow (Agency Form 10)
- ___ GAU Approval of TEFRA (*pricing*)
- ___ PHDA Approval, if applicable (for Title 55:16 Sponsors only)*
(*Approval provided on HMFA transfer of ownership closing statement*)
- ___ Physical and Financial Condition /Management & Finance Division Approvals*
- ___ Paralegal to prepare TOI Closing Statement, including MAR Calculation*
- ___ Paralegal to prepare Discharge for the Mortgages of Record (also mark Notes Paid in Full)
- ___ Paralegal to get wiring instructions for payoff of the Agency Mortgages from Finance

V. POST CLOSING

- ___ Title Policy & Recorded Loan Documents
- ___ Certificate of Occupancy for Construction Rehab at Construction Completion
- ___ Final Release and Waiver of Lien and Affidavit from General Contractor* --including Schedule "A" – Verified List of Subcontractors, **which needs to list the following: Name of Subcontractor, Amount Paid and the Last Date worked on Site.** (any subcontractor over \$5,000)

NJHMFA:

- ___ Closing Binder w/CD (provided by Bond Counsel)