



**G.O. BOND FUNDING CHECKLIST
END LOAN FINANCING**

DOCUMENT SUBMISSIONS	REQUIREMENTS
Outline Rehab Scope - Rehabilitation	<u>Prior to closing:</u> Minnesota Housing’s architectural review of existing buildings will vary depending upon the proposed scope of work and its degree of complexity. Substantial rehabilitation projects will more closely follow the same review process as for new construction. Rehabilitation may not require architectural plans and specifications, but will likely require analysis of construction materials and quality based on contractor bids.
206A Qualifications of Architect (MH form)	<u>Prior to closing:</u> This is a Minnesota Housing form that details information regarding the architectural firm's staff, experience and their ability to be insured. A list of the firm's principals, identifying their professional field (e.g. Landscape architecture, mechanical, electrical, etc.), a list of the other members of the firm and the name and registration of the person in charge of the subject development should be included. The firm should also submit a list of developments for which they were the architect of record. This information should include: the name and location of the development, the name and address of the borrower, the number of units, construction cost, date of completion, the building types and number of stories of each, and the type of financing used. Materials representative of the work of the architectural firm should also be reviewed.
Total Development Sources and Uses	Sources and Uses must be submitted <u>prior to closing.</u>
Environmental	<u>Prior to closing:</u> Phase I Environmental Site Assessment required for loans in excess of \$300,000. Comprehensive Lead-based Paint and Asbestos-containing Materials surveys required entire property – not just rehabilitated areas. Abatement plan required for hazardous materials to be abated during rehabilitation; Operations & Maintenance (O&M) Plan required for hazardous materials to remain after rehabilitation. More detail on Minnesota Housing’s requirements may be found at: http://www.mnhousing.gov/housing/architects/MHFA_007967.aspx
B3	<u>Prior to closing:</u> B3 is the State of Minnesota’s Sustainable Building Design Requirements (Buildings, Benchmarks and Beyond). Projects will need to either have comply with B3 or be approved by the Center for Sustainable Building Research as “non-applicable.” More information is available at: http://www.msbg.umn.edu/
Equal Opportunity Policy Statement (MH Form)	<u>Prior to closing:</u> Minnesota Housing is committed to equal housing and equal employment opportunity. Forms must be submitted by the owner and general contractor. Form available at: http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_002447.rtf

<p>Contractor's Compliance Activity Report (MH Form)</p>	<p><u>Prior to closing:</u> Minnesota Housing's goal is to ensure that the workforces on the projects and programs we finance reflect demographically the area they are located in. The Contractors Compliance Activity Report provides information regarding equal business opportunities to minority and female businesses on the projects we finance and equal employment opportunities in the workforces of the firms with whom we sign contractual agreements in which a contractor commits to meet Minnesota Housing's employment and business goals. Form available at: http://www.mnhousing.gov/idc/groups/public/documents/document/mh_fa_006278.pdf</p>
<p>Affirmative Fair Housing Marketing Plan (MH Form)</p>	<p><u>Prior to closing:</u> The Affirmative Fair Housing Marketing Regulations require that each applicant carry out an affirmative marketing program to attract prospective buyers or tenants of all majority and minority groups in the housing market area regardless of race, creed, color, religion, sex, national, origin, marital status, status with regard to receipt of public assistance, disability or familial status. The applicant describes on this form the activities it proposes to carry out during advance marketing, where applicable, and the initial sales or rent up period. The affirmative marketing program also should assure that any group(s) of persons normally NOT likely to apply for the housing without special outreach efforts (because of existing neighborhood racial or ethnic patterns, location of housing in the SMSA, or price or other factors), know about the housing, feel welcome to apply and have the opportunity to buy or rent. Form available at: http://www.mnhousing.gov/housing/management/asset/index.htm</p>
<p>Authority's Enabling Resolution</p>	<p><u>Prior to closing:</u> Enabling resolution and minutes from the government entity establishing the Authority.</p>
<p>Authority's Certified By-laws (MH form of Certification)</p>	<p><u>Prior to closing:</u> Certified Bylaws and any and all amendments must be submitted. The Certification of Bylaws shall state that the Bylaws and any and all amendments thereto are true, complete and correct copies, and such Bylaws have been duly adopted by the Authority, and are presently in full force and effect. The Certification must be dated within 90 days of closing; and must be signed by the secretary of the Authority. Minnesota Housing's form of Certification may be obtained.</p>
<p>Authority's Borrowing Resolution (MH form)</p>	<p><u>Prior to closing:</u> A <u>draft copy</u> of the Resolution adopted by the Authority's governing board must be submitted to Minnesota Housing for review prior to closing, and must include the following: (1) authorization to borrow funds from Minnesota Housing and stating the amount of borrowing authority; (2) authorization to execute any and all Minnesota Housing loan documents (including, but not limited to, a Repayment Agreement, Declarations); (3) contains the legal description of the real property including the name of the development; (4) identifies authorized signers and their titles; (5) contains a paragraph stating that: "Minnesota Housing Finance Agency is authorized to rely on the continuing force and effect of the Resolution until receipt by the Commissioner of Minnesota Housing, at its principal office, of notice in writing from the Authority of any amendments or alterations thereof"; (6) must be certified dated within 90 days of closing. Minnesota Housing sample form may be obtained.</p> <p><u>At closing:</u> The original signed Resolution (or a Certified copy) must be delivered prior to, or at closing.</p>

208 Qualifications of Attorney <i>(MH form)</i>	<u>Prior to closing:</u> Information regarding the Attorney's experience with government housing programs and real estate is collected in the 208A. This form should be reviewed by the HDO and if the attorney has had no prior experience in Real Estate, their capacity to carry out the legal work for the applicable development should be assessed.
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DOCUMENT SUBMISSIONS	REQUIREMENTS
<p>Attorney's Opinion Letter (MH form)</p>	<p><u>Prior to closing:</u> Legal counsel for the borrower must deliver a <u>draft copy</u> of a favorable opinion stating: (1) the borrower is in good standing and validly existing under the laws of the State of Minnesota; (2) Minnesota Housing's loan documents have been duly authorized, executed, and delivered, and constitute valid obligations of the borrower; (3) the priority and validity of Minnesota Housing's mortgage; (4) if applicable, contain a statement that the rehabilitation and related documents have been duly authorized; (5) the borrower's ability to carry on the business of owning and operating the development. When there is an identity of interest between the borrower and their attorney, the attorney may <u>not</u> prepare the borrower's Attorney's Opinion. Minnesota Housing's form may be obtained.</p> <p><u>At closing:</u> The original signed attorney's opinion letter must be dated the date of closing and delivered to Minnesota Housing.</p>
<p>Title Insurance Commitment/Proforma (from Title Company)</p>	<p>Title insurance is an indemnity contract providing insurance to pay the cost of a resulting loss if any interest adverse to the interest of the insured is not reflected in the policy. The insuring company promises to defend the title against adverse claims, subject to the provisions of the policy.</p> <p><u>Prior to closing:</u> A current Lender's title insurance commitment/proforma is required:</p> <ul style="list-style-type: none"> • naming the "Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, its successors and/or assigns" as the proposed insured; • in the amount of the MHFA's proposed mortgage; • showing all liens, encumbrances, restrictions and easements presently of record, and proposed; and <p>Copies of all liens, encumbrances, restrictions and easements that will remain of record, or proposed to be placed of record must be submitted and reviewed by Minnesota Housing for acceptability. Items determined to be acceptable may be required to be subordinate to Minnesota Housing's mortgage documents.</p> <p>The Title Company must be prepared to delete all standard exceptions and provide mechanics lien coverage.</p> <p><u>At closing:</u> A Title Insurance Proforma (with Alta 3.1 Zoning Endorsement attached) signed by an authorized signer for the title company must be provided to Minnesota Housing.</p>

<p>Alta 3.1 Zoning Endorsement – <i>(from Title Company)</i></p>	<p><u>Prior to closing:</u> The ALTA 3.1 zoning endorsement is used only for land with completed structures. This endorsement insures not only that the land and present structures can be used for the permitted purposes, but also insures against forced removal of the existing structures because of the violation of zoning ordinances regarding size of the land or buildings, setbacks, or height of the structure. The endorsement must also include parking coverage. Before issuing the endorsement, title insurers require a letter from the appropriate city zoning department addressing the zoning classification, permitted uses for the property, the current or proposed use of the property and its compliance with the zoning ordinance, indicating if variances have been granted, and information regarding parking requirements and compliance.</p>
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DOCUMENT SUBMISSIONS	REQUIREMENTS
<p>Title Company Settlement Statement <i>(from Title Company)</i></p>	<p><u>Prior to closing:</u> A draft Settlement Statement showing the financing and payments to be made at closing. <u>At closing:</u> The signed Settlement Statement is required.</p>
<p>Zoning Letter from Municipality <i>(MH form)</i></p>	<p><u>Prior to closing:</u> A letter from the municipality in which the development is located that the property is zoned or restricted so as to permit the work and operation of the development. This letter must be dated within 6 months of closing and include the following; (1) set back requirements (2) required number of parking spaces including handicapped spaces (3) flood zone status (4) zoning classification (5) Conditional use permits (include copy of the permit) (6) if the property is a legal non-conforming use because it was built before the zoning code, then the letter must state it is a legal non-conforming use.</p>
<p>Consent Letters (Jr. Lien Approval) from any existing lenders (including HUD) <i>(MH form)</i></p>	<p><u>Prior to closing:</u> A letter from existing mortgage holders is required addressed to Minnesota Housing indicating (1) their consent to Minnesota Housing's loan(s) and loan documents, and specifying the amount of the Minnesota Housing's loan(s); (2) identifying the loan documents they are consenting to; and (3) indicating that the Minnesota Housing loan(s), with the passing of time, does not create an event of default under the lender's loan documents. This would include HUD's approval for the Authority to mortgage the property.</p>
<p>Certificate of Occupancy or Rental Dwelling License</p>	<p><u>Prior to closing:</u> For occupied properties, a current Certificate of Occupancy or Rental Dwelling License issued by the municipality or, in the absence of the Certificate or License, a letter from the municipality stating that it does not issue Certificates or Licenses is required.</p>

Characteristics of Tenant Households Report

Prior to closing: The Characteristics of Tenant Household (CTH) report is a snapshot of the income, rent and tenant characteristics required for all occupied properties prior to closing. The information is used to ensure units meet program(s) eligibility at closing and for legislative reporting purposes. The Initial Occupancy Statement by Tenant tab contains a form of certification to be completed & signed by each tenant household, in addition to the Tenant Demographic Profile form. These forms are then used by owner/manager to complete the CTH report. Only the CTH excel file should be submitted to Minnesota Housing. Owner maintains the signed Initial Occupancy Statements and Tenant Demographic Profiles. Owners may use the Housing Tax Credit Tenant Income Certification form in lieu of the Initial Occupancy Statement.

The CTH Report excel workbook contains an instruction tab and is located at http://www.mnhousing.gov/housing/servicing/MHFA_004835.aspx. The naming protocol is the Development Number, Property Name, CTH, year the property was closed (i.e.,D0001 ABC Apt CTH09).

The form should be submitted to the HDO **30 days** prior to closing.

DOCUMENT SUBMISSIONS	REQUIREMENTS
<p>Owner's Evidence of Property and Liability Insurance</p>	<p>All Insurers must be authorized to transact business in the State of Minnesota and must have a Best's rating of A- or better (refer to www.ambest.com for rating information).</p> <p><u>Prior to closing:</u></p> <ol style="list-style-type: none"> 1. "Special Form" or "All-Risk" Hazard Certificate of Insurance: <ol style="list-style-type: none"> (a) In an amount not less than the amount of Minnesota Housing's outstanding financing or 100% of the insurable replacement value of such building(s) or improvements (whichever is greater). If rehabilitation is occurring, then an overlap endorsement or rider insuring the rehabilitation work to be completed must be included; (b) Mortgagee clause naming Minnesota Housing Finance Agency as Mortgagee; (c) Loss Payee clause naming Minnesota Housing Finance Agency as Loss Payee; (d) Replacement Cost Valuation Basis; (e) Must include an Agreed Value Clause (no co-insurance penalty applicable); (f) If applicable, Boiler and Machinery Coverage (no co-insurance); (g) Flood Insurance, if applicable; (h) Insurer will provide Minnesota Housing with 30 days prior written notice in the event of cancellation, non-renewal or material change. 2. Comprehensive General Liability Certificate of Insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance): <ol style="list-style-type: none"> (a) Limits against bodily injury and property damage of not less than \$1,000,000 per occurrence and \$3,000,000 in aggregate. An umbrella excess liability policy may be used to meet such requirements; (b) Minnesota Housing Finance Agency named as an Additional Insured; (c) Insurer will provide Minnesota Housing with 30 days prior written notice in the event of cancellation, non-renewal or material change.

DOCUMENT SUBMISSIONS	REQUIREMENTS
Loan Documents from other Lenders providing new financing (if applicable)	<p><u>Prior to closing:</u> Draft documents of other lender loan documents must be submitted to Minnesota Housing for review. Due to a lender(s) varying requirements, the documents will be reviewed for conflicting requirements that may necessitate issue resolution prior to closing. Examples: Notice requirements of lenders, loan terms, amortizing loans, rent and income requirements, use of loan proceeds, loan document priority, disbursement order.</p> <p><u>At closing:</u> Signed Lender loan documents must be submitted.</p>
Sworn Construction Statement (MH form)	<p><u>Prior to closing:</u> Required on developments where Minnesota Housing's loan is structured as an end loan (funds used to pay off interim construction lender(s)). A Schedule of Values may be utilized and must include A statement by the General Contractor and the Borrower certifying that (1) the work is completed; (2) details the class(es) of work; (3) identifies the contractor who completed the class of work; (4) details the dollar amount of the work completed; (5) and the amount(s) paid. Minnesota Housing form may be obtained.</p>
Evidence of payment for Soft Costs (<i>costs not included in the Construction Contract</i>)	<p><u>Prior to closing:</u> Submit cancelled checks for costs not included in the construction contract (i.e., legal fees, environmental, title and recording fees, etc.)</p>
Payoff Letter(s) from Interim Construction Lender(s)	<p><u>Prior to closing:</u> Payoff letter(s) from lender(s) who has/have provided interim loan(s) for the rehabilitation and related costs of the development for which Minnesota Housing funds will be used to pay off said interim loan(s) at the closing. The payoff letter must include the principal and per diem of interest that is due as of a date of closing of the Minnesota Housing loan.</p>
Photos of completed work	<p>Photos must be submitted <u>prior to closing</u>. Photos are collected in lieu of a final inspection by Minnesota Housing's staff architect.</p>
Other End of Work Items	<p><u>Prior to closing:</u> Certificate of Substantial Completion and project close-out letter completed by project architect indicated project was completed as per Plans and Specifications and start date for warranty period determined. Evidence of closed permits by local building official.</p>