

TCAP CONSTRUCTION LOAN CLOSING CHECKLIST

CPM = DHCR Capital Programs Manual

I. Design Documents

- (1) Executed Contractor Assurances Agreement (see form in Legal Documents Manual)
- (2) Summary of final approved plans and specifications from borrower architect

II. Site Control Documentation

- (1) 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)
- (2) Survey - 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) indication of access to the public way such as curb cuts, driveways marked;
 - e) location of all utilities serving the property, including manholes, catch basins, valve vaults or other surface indications of subterranean uses;
 - f) 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;
 - g) observable evidence of cemeteries; and
 - h) significant observations not otherwise disclosed. CPM § 5.03.02

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.

(3) 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.

(3) 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.

(4) For projects built on a leasehold interest, consent by the certified fee owner to the leasehold mortgage or proof that such consent is not required.

III. Insurance (see model certificates in Legal Documents Manual)

(1) Name HTFC and State of New York as additional insured and mortgagee (except a) iii and b) iii).

(2) 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.

- a) Borrower Insurance Binders (originals) CPM § 5.09.01
 - i. Comprehensive liability in a minimum amount of one million dollars; Hazards including contractual liability and completed operations.
 - ii. Property Coverage - 100% of insurable replacement value of project - Builder's Risk Form- All Risk coverage (insuring Borrower's interest in project).
 - iii. Workers' Compensation and Disability insurance coverage. (HTFC not named insured)
 - iv. "Any Auto" automobile coverage in a minimum amount of one million dollars.
 - v. Blanket Position Fidelity Bond/Crime Coverage policy in the amount of the largest anticipated disbursement pursuant to the construction loan/award agreement. (HTFC named as loss payee)
 - vi. Flood Insurance (if applicable).
- b) Contractor's Insurance Binders (originals) CPM § 5.09.02
 - i. Contractor's Liability Insurance - Minimum \$1,000,000 - All hazards including contractual liability and completed operations.
 - ii. Contractor's Performance Bond and Payment Bond - 100% of value of contractor's contract with Borrower. Borrower and HTFC as obligees/payees. Include proof of filing. (NYS GOL § 5-322.3)
 - iii. Workers' Compensation & Disability Benefits
 - iv. Comprehensive General Automobile Liability

IV. Financial Documents

- (2) Evidence of tax abatement CPM § 5.10; 5.06(iii)

V. General Submissions

- (1) Copy of the Amended and Restated Agreement of Limited Partnership/Operating Agreement which contains the provisions found in the Legal Documents Manual (if applicable).
- (2) 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.
- (3) Counsel's Opinion Letter dated the day of closing (see form in Legal Documents Manual).
- (4) Verification that all conditions for construction financing required by the HTFC loan commitment letter have been met:
 - a) SEQRA/NEPA
 - b) Design
 - c) Underwriting
 - d) MBE/WBE (they must supply the goals for insertion into Appendix 1)
 - e) OFHEO (marketing plan approval)
 - f) Special Needs

VI. Required Governmental Approvals

- (1) Building Permit(s)

VII. Condo/Co-op Documentation (if applicable)

- (1) Draft Condo/Co-op Offering Plan
- (2) Attorney General's no action letter (if applicable).
- (3) Draft Declaration of Condominium or Proprietary Lease as applicable

VIII. Borrower Executory Authority

- (1) A certified copy of documentation of the Borrower authorizing the transaction with HTFC and granting the individuals authority to execute documents.

IX. Final Exhibits for HTFC legal documents

Update as necessary and submit:

- (1) Schedule of Plans & Specifications

- (2) Development Timetable
- (3) Development Budget
- (4) Architect's Letter
- (5) Contractor Assurances Agreement
- (6) Cash Flow Schedule (same as Schedule F of TCAP Written Agreement)

X. Fees

- (1) Asset Management Fee
 - * for non-nominal projects \$50,000 paid at construction close
 - * for nominal projects \$50,000 due at construction closing, balance due at permanent loan conversion

XI. Permanent Loan Conversion Submissions

- (1) Deposit Account Control Agreement between Borrower and Bank directing Bank to furnish information to HTFC regarding project operating and replacement reserve accounts and Project Developer Collateral Accounts (nominal LIHC projects only). (See form in Legal Documents Manual).
- (2) Capitalization of operating and replacement reserves as necessary.
- (3) Capitalization of Project Developer Collateral Account (nominal LIHC projects only).
- (4) \$50k Asset Management Fee balance (nominal LIHC projects only).