

**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\*\***

<b>Targeted Closing Date:</b>	
<b>DOI Board Meeting Date</b>	
<b>Commitment Board Meeting Date</b>	
<b>Bond Documents Board Meeting Date</b>	

*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 (Multifamily):**

**Phone #:**

**Fax #:**

**e-mail:**

**AGENCY CREDIT OFFICER:**

**Phone #:**

**Fax #:**

**e-mail:**

**TECHNICAL SERVICES:**

**Phone #:**

**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](mailto:Christopher.golabek@usbank.com)



Not applicable 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. (Date Received \_\_\_\_ ) (Date Approved \_\_\_\_ )

STATUS: \_\_\_\_\_

\_\_\_\_ Conduit Bond Financing Structure Finalized

\_\_\_\_ ALL 4% and 9% LIHTC applications involving the development of new affordable units, including 100% affordable, mixed-income and mixed-use development, must undergo an Inclusionary Review. Applicants are strongly encouraged to complete Step #1 in advance of submitting an application for either Agency financing and/or LIHTC. In the event Step #1 is not completed prior to submission, the Inclusionary Review must be completed as part of the application review. (if applicable)

**Provide a status of your Inclusionary Review Submission. The Agency reserves the right to require the Inclusionary Review Submission prior to the project advancing to a Declaration of Intent.**

STATUS: \_\_\_\_\_

\_\_\_\_ Preliminary Drawings, (if applicable) Unit/Building Matrix for Rehabs (Date Received \_\_\_\_ )  
(Date Approved \_\_\_\_ )

STATUS: \_\_\_\_\_

*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**

**SPECIAL NEEDS ONLY REQUIREMENTS: (IF NO SPECIAL NEEDS DELETE GRAY)**

\_\_\_\_ Supportive Services Plan (Date: \_\_\_\_ )  
STATUS: \_\_\_\_\_

\_\_\_\_ Evidence of Source of Rental Assistance (Letter of award, if available)  
STATUS: \_\_\_\_\_

\_\_\_\_ NJ Dept. of Human Services Project Support Letter  
STATUS: \_\_\_\_\_

Home Inspection Report (for purchase of single family homes)

STATUS: \_\_\_\_\_

Opinion from Sponsor's Counsel that property acquired may be leased to the tenant population (for properties (condominiums/townhomes) with homeowner associations)

STATUS: \_\_\_\_\_

**TRANSFER OF OWNERSHIP (TOI) REQUIREMENTS:**

**Authorization to Transfer/Acquire Ownership (TOI):**

- \_\_\_ Written request from Owner of project providing complete description of transfer.
- \_\_\_ DRAFT Resolution/Certification of Owner to sell\*
- \_\_\_ DRAFT 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\*, if applicable
  - \*If the borrower is getting a new tax abatement, N/A this section and obtain the new resolution and agreement*
- \_\_\_ 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

**STANDARD REQUIREMENTS:**

\_\_\_ Appraisal (*along with approval from the lender or servicer*) -*The project appraisal must be commissioned by the lender or servicer, include NJ HMFA as an intended user, include the as-is value based on current rent amounts, include a separate land value, as if vacant. Additional requirements are included in the Agency's Multifamily Appraisal Standards.*

\_\_\_ Confirmation the Inclusionary Review Process has been completed and approved by HMFA (if applicable)

\_\_\_ 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

- \_\_\_ Agreement for Payment in Lieu of Taxes (Tax Abatement), (if applicable)(Date Received \_\_\_)  
(Date Approved \_\_)  
**STATUS:** \_\_\_\_\_

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

- \_\_\_ Financing Commitments from Other Funding Sources (List All) *(may need update from DOI)*
  - \_\_\_ Equity Commitment
  - \_\_\_ Other:

\_\_\_\_ Evidence of Credit Enhancement Availability to Borrower for Project  
(Date Received \_\_\_\_\_) (Date Approved \_\_\_\_\_)

**STATUS:** \_\_\_\_\_

\_\_\_\_ 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.

\_\_\_\_ **Green Homes Preconstruction Authorization Letter**

\_\_\_\_ **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; and
- 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, contain all green and/or energy efficient measures in order to comply with Tax Credit compliance and issued **for construction**. Attach *List of submitted drawings, manuals, etc.*

\_\_\_\_ **Green Homes Preconstruction Authorization Letter.** (*consult with Technical Services for details*)

\_\_\_\_ Borrower Selection of Underwriter

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

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

\_\_\_ Bond Counsel Retained on Behalf of the Agency

\_\_\_ 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**

\_\_\_ Updated Appraisal/Market Study, (If applicable) (Date Received \_\_\_\_\_) (Date Approved \_\_\_\_\_)

\_\_\_ Acquisition Credit Opinion Letter (if applicable)

\_\_\_ **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 \_\_\_\_\_)**

**STATUS:** \_\_\_\_\_

\_\_\_ 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 (*1 Sealed Originals Certified to Sponsor, NJHMFA and Title Company & 1 signed & sealed electronic copy*)

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**
- \_\_\_ All signature pages to Bond Counsel two weeks prior to closing
- \_\_\_ Attorney Transactional Documents:
  - \_\_\_ Counsel Opinion from Sponsor, Attorney\* for loan closing.
  - \_\_\_ Mortgagor's and/or Grantee's Affidavit of Title\*
  - \_\_\_ Resolution to Borrow\*/Resolution to Accept Grant Funds\*, as applicable

**TRANSFER OF OWNERSHIP REQUIREMENTS (TOI):**

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
- \_\_\_ Bulk Sales Tax
- \_\_\_ Copy of Deed from Seller to Buyer with Affidavit of Consideration
- \_\_\_ Bill of Sale, if applicable

***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*)

**TOI:**

- \_\_\_\_\_ 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, if applicable

**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)
- \_\_\_\_\_ Development Cost Audit, or audit document as otherwise approved by the Agency **within six months from construction completion**

***NJHMFA:***

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