

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

CONDUIT BOND FINANCING - PERMANENT ONLY DOCUMENT CHECKLIST

The Agency intends to provide financing through the sale of taxable, tax-exempt bonds or any other funds available to the Agency. The requirements listed in Section I must be satisfied prior to **Declaration of Intent**. The requirements listed in Section II must be satisfied prior to a **Mortgage Commitment**. The requirements in Section III must be satisfied prior to the **Bond Document Approval**. The requirements in Section IV must be satisfied prior to **Construction Loan Closing**. The requirements in Section V must be satisfied prior to **Bond sale/Loan Closing**.

Please note that this checklist document is to be used for reference purpose only. All the required documents must be uploaded electronically at the NJHMFA **Multifamily Housing and Supportive Services Lending Portal** (<https://developers.njhousing.gov/>) unless stated otherwise.

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.

Code to Document Requirements:

* - *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 Application*
- ___ Project Narrative, including Overview of Scope of Work.
- ___ Preliminary Proforma/Cash Flow (Agency Form 10)*
- ___ General Site Location Map & Directions
- ___ Resume for Sponsor

- ___ Evidence of Site Control
 - ___ Deed
 - ___ Option Agreement
 - ___ Contract of Sale
 - ___ Redevelopment Agreement
 - ___ Ground Lease or Option to Enter into Ground Lease (**Ground Lease Fee**)
 - ___ Condominium Requirements, if applicable
 - ___ Condominium Association By-laws
 - ___ Master Deed
 - ___ Certificate of Formation of Condominium Association
 - ___ Other

- ___ Financing Commitments (***evidence for any and all sources included in underwriting***)

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

___ Cost Comparison (if applicable)

___ Resolution of Need from Municipality* (may be included in municipal resolution granting payments in lieu of taxes) The Sponsor must obtain a resolution of need from the municipality or a municipal ordinance and letter from the municipal clerk authorized under the provisions of P.L. 2024, c.5, in which the project will be located reciting that there is a need for the particular housing project in that municipality.

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.

___ Conduit Bond Financing Structure Finalized

___ Borrower Selection of Underwriter

___ 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.

___ Preliminary Drawings, (if applicable) Unit/Building Matrix for Rehabs

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

___ Site Inspection Report

___ Board Resolution for Declaration of Intent

___ Declaration of Intent Letter

II. REQUIREMENTS FOR MORTGAGE COMMITMENT

___ 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 that the Inclusionary Review Process has been completed and approved by HMFA (if applicable)

___ Evidence of Source of Rental Assistance (Letter of award, if available)

___ Financing Commitments (**Submit All**) (*may need updates from DOI*)

___ Confirmation of expiration date on HMFA RFA (**date must be confirmed by Developer, Construction Lender and LIHTC syndicator**)

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

___ Affirmative Fair Housing Marketing Plan

___ ASTM E1527 Phase I Environmental Site Assessment, or NJDEP Preliminary Assessment, pursuant to N.J.A.C. 7:26E-3.2. (*along with approval from credit enhancer / purchaser*)

In addition, the following are required for Existing Structures:

___ Lead Based Paint Report/Removal plan

___ Asbestos Containing Materials Report/Remediation plan

___ Radon testing/Remediation plan

___ Other Remediation: Specify:

___ ASTM E1903 Phase II Environmental Site Assessment (if applicable)

___ Organizational Structure Chart for Sponsor/Borrower and Managing Entity

___ 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*). Submit for borrowing entity and all entities owning 10% or greater interest in the borrowing entity represented in the Organizational Structure Chart.

___ Certificate of Limited Partnership (Partnership)

___ Certificate of Formation (Limited Liability Company)

___ Certificate of Incorporation (Corp.)

___ Certificate of Formation for Managing Member, if applicable

___ Certificate of Formation for Investor Member, if applicable

___ Corporate Certification and Questionnaire*, as applicable. Submit for borrowing entity and all entities owning 10% or greater interest in the borrowing entity represented in the Organizational Structure Chart.

___ 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.)

NOTE: Background checks must be sent via regular US mail, overnight courier or hand-delivered.

___ Municipal Resolution Granting Payments in Lieu of Taxes* (**PILOT aka Tax Abatement Resolution or ordinance**), (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.

___ OTHER

___ Agreement for Payment in Lieu of Taxes (**PILOT aka Tax Abatement**), (if applicable)

___ Preliminary and/or Final Site Plan Approval, along with approval from credit enhancer/purchaser, (if applicable)

___ NJSHPO historic preservation approval or non-applicability determination (if applicable)

___ 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.

___ Detailed Cost Estimate by Trade (Schedule of Values)

___ **Pre-submission meeting** 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.

___ **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.

____ **Architect’s Certification and Drawing List**

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.*

____ Tax Credit **Green Homes Preconstruction Authorization Letter.** (*consult with Technical Services for details*)

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
- ____ Commitment Letter and Indemnification Deposit

III. BOND DOCUMENTS APPROVAL

NJHMFA (After issuance of Agency Commitment):

- ____ Board Resolution with Bond Documents

IV. Required at Construction Closing

- ____ *FINAL Survey (1 Signed & Sealed Original & 1 Signed & Sealed Electronic Copy 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 Executed Operations Agreement with all Exhibits attached for Sponsoring entity and General Partner(s) or Managing Member(s) (*Agency must review the draft Operating Agreement before closing can be scheduled*)
- ____ Other funding: Need to review draft of any other funding sources loan documents.
- ____ Forward Lending Agreement: Final Forward. Capital Markets will assist with this document. –

V. ISSUANCE OF BONDS/CLOSING

- ____ Updated Appraisal/Market Study, (If applicable)

- _____ Acquisition Credit Opinion Letter (if applicable)
- _____ **Rack Set / Final Contract Drawing and Specifications** - Prior to the beginning of construction, one full-size, construction-ready, a permit approved set including civil drawings, signed and sealed by the architect, must be submitted electronically in PDF format.
- _____ DRAFT Operations Agreement with all Exhibits attached for Borrower entity and General Partner(s) or Managing Member(s) (as applicable) (if not obtained prior, final needed at Closing) (*HMFA Statement required for sponsoring entity only- **assigned paralegal can provide required HMFA language***)
- _____ Post Issuance Compliance Procedures Manual and Signed Acknowledgment of Same
- _____ DRAFT Closing Memorandum with breakdown of fees and funds
- _____ W-9 Escrow Account forms* for Borrower/Project Entity/Buyer.
- _____ Final Evidence of Site Control (*i.e. Deed, Signed Ground Lease, etc.*)
- _____ TEFRA Notice/TEFRA Hearing Notification
- _____ HUD Approval (if applicable) of: **(posting)**
 - _____ Transfer of Ownership,
 - _____ HAP and any Assignment of HAP
 - _____ HUD Approval of Previous Participation Certificate (HUD Form #2530) for Buyer, Managing Agent, Consultant and other Principal Participants **Including** INVESTOR Member
- _____ Certificate of Good Standing - Current within 30 days of **closing**
 - _____ Borrower
 - _____ Managing Member/General Partner
 - _____ OTHER members over 10%
- _____ Certificate of Formation **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](#).
(Valid for 180 days)
- _____ Insurance Certificates naming NJHMFA as additional insured (*along with approval from credit enhancer / purchaser*) HMFA Insurance Department must approve. **(Pricing)**
- _____ 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
- ___ 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
- ___ Gap Language
- ___ Flood Hazard Area Certification
- ___ Closing Protection Letter for Title Officer Attending Closing
- ___ Survey Endorsement insuring final survey without exceptions
- ___ 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
- ___ Title Rundown Confirmation (on day of closing in writing)

___ Filed Notice of Settlement (good for 60 days)

___ Survey or Final As-Built Survey (if not already obtained at construction closing (*I 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 Executed Operations Agreement with all Exhibits attached for Sponsoring 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 language**

___ 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.**

___ Final Release from all Subcontractors* (those furnishing labor, materials, supplies valued at \$10,000 or more)

___ Final Certificates of Occupancy for all units

___ Architects Substantial Completion Certificate

- ___ Deed of Easement for LIHTC
- ___ Final Site Plan Approval along with approval from Credit Enhancer / Purchaser (if applicable)
- ___ IF Seller is an LD entity – DCA approval of the sale
- ___ 42m Letter (**pricing**)
- ___ Construction Permits (**pricing**)
- ___ FINAL signed Closing Memorandum with breakdown of fees and funds
- ___ Attorney Transactional Documents
 - ___ ALL Counsel Opinions **for loan closing.**
 - ___ Seller's Affidavit of Title and Corporate Resolution to Sell (if applicable)
 - ___ Mortgagor's Affidavit of Title*
 - ___ Resolution to Borrow
- ___ Payment & Performance Bonds **or** other guarantee acceptable to the Agency (if construction project and if required by enhancer/purchaser NJHMFA to be named) along with approval from Credit Enhancer / Purchaser
- ___ Amortization schedules for **Direct Purchases**
- ___ All signature pages to Bond Counsel two weeks prior to closing
- ___ Tax Credit Green Post Construction Authorization Letter

NJHMFA:

- ___ Satisfaction of Agency Board Commitment/ Closing Requirements, if any.
- ___ (**Signed**) Closing Proforma/Cash Flow (Agency Form 10)
- ___ GAU Approval of TEFRA (**Pricing**)
- ___ TEFRA Proof of Publication (obtain from Bond Counsel)
- ___ Signed Documents to Evidence Bond Issuance: (Prepared by Bond Counsel)

VI. POST CLOSING

- ___ Title Policy **&** Recorded Loan Documents
- ___ Closing Binder w/CD (provided by Bond Counsel)
- ___ Sponsor Development Cost Audit, or audit document as otherwise approved by the Agency **within six (6) months of conduit bond closing**