

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
PERMANENT TAKE-OUT FINANCING
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 **Tax Credit Rate Lock**. The requirements in Section IV must be satisfied prior to **inclusion of the project in a bond issue**. The requirements in Section V must be satisfied prior to **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.

Code to Document Requirements:

* - *An asterisk indicates an Agency form document must be used. Many forms are available on the NJHMFA website: www.state.nj.us/dca/hmfa*

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

I. REQUIREMENTS FOR DECLARATION OF INTENT

SPONSOR:

- ___ 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

Special Needs Projects:

- ___ Population served and the service provider must be clearly identified

- ___ 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

___ 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.

_____ Financing Commitments (*evidence for any and all sources included in underwriting that is acceptable to HMFA*)

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

CONSTRUCTION DOCUMENTS:

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

_____ 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.

SPECIAL NEEDS ONLY REQUIREMENTS:

- _____ Supportive Services Plan – Multifamily
- _____ Evidence of Source of Rental Assistance (Letter of award, if available)
- _____ NJ Dept. of Human Services Project Support Letter
- _____ Home Inspection Report (for purchase of single-family homes)
- _____ Opinion from Sponsor’s Counsel that property acquired may be leased to the tenant population (for properties (condominiums/townhomes) with homeowner associations)

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

SPONSOR:

- ___ Appraisal/Market Study.
- ___ Updated Appraisal/Market Study, (If applicable) .
- ___ Certification for the WBE and Affordability for AHPF, UPP and WHP, 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 Questionnaires
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).* art.

(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.

- ___ ASTM E1527 Phase I Environmental Site Assessment, or NJDEP Preliminary Assessment, pursuant to N.J.A.C. 7:26E-3.2.

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

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

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

- Street Vacation Ordinances (Ordinance with Proof of Publication), (if applicable)

- NJSHPO Historic preservation approval or non-applicability determination, (if applicable)

- 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 *et seq.*
 - OTHER

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

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

- Confirmation that the Inclusionary Review Process has been completed and approved by NJHMFA (if applicable)

- Evidence of Rental Assistance, if applicable

- Affirmative Fair Housing Marketing Plan* (*N/A for Special Needs only projects*)

- Housing Resource Center (“HRC”) registration of project entity (*N/A for Special Needs only projects*)

TAX CREDIT GREEN REQUIREMENTS:

- Pre-Construction Authorization Letter (*consult with Technical Services for specific requirements*)

CONSTRUCTION DOCUMENTS:

- _____ Detailed Narrative Scope of Work (Note: Any changes made to the scope of work must be approved by NJHMFA)
- _____ Detailed Trade Payment Breakdown on AIA Form 703 (Schedule of Values) signed by General Contractor and based on the Final Contract Drawings (NOTE: Any changes to the Trade Payment Breakdown must be approved by NJHMFA.)

Architect/Engineer Documents:

- _____ AIA Form of Architect's Contract with Agency Architect's Addendum attached. If there is HUD financing in the deal then the Agency defers to the HUD form of document.
- _____ **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;
 - o Mechanical/Electrical/Plumbing (MEP) Drawings;
 - o Structural Drawings;
 - o Fire Alarm/Suppression Drawings;
 - 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, and **issued for construction**. Attach *List of submitted drawings, manuals, etc.*
- _____ Architect's Errors and Omission Policy/Certificate of Insurance (naming NJHMFA as Certificate Holder)
- _____ Geotechnical Engineering Report (Soils Test), if applicable
- _____ 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.

- ___ Confirmation of Availability of Utility Services (electric, gas, water, sewer) (Letters should be within at least 6 months of anticipated Agency commitment, if applicable)
- ___ Letter from Utility Companies
- ___ Letter from Utility Company confirming that individual metering systems will be installed within a meter room in the building, if applicable to the project type.

Contractor Documents:

- ___ Executed AIA form of Construction Contract* with Agency Addendum attached
(*Note: Federal (Davis Bacon) prevailing wages must be paid for those projects receiving CDBG funds. Evidence of payment of Davis-Bacon wages must be included in the construction contract.*)

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

- ___ Evidence of ability to obtain Permanent Guarantee:
Agency Permanent Financing: Sponsor has the option of providing a 10% Letter of Credit OR 30% Warranty Bond in lieu of Payment and Performance Bond.
Note this guarantee will be required to exist for a period of two years post construction completion as determined by the Certificate of Occupancy date or Architect's Certificate of Substantial Completion, whichever is later. For Special Needs Only projects, refer to Special Needs Program document checklist requirements.

SPECIAL NEEDS ONLY REQUIREMENTS:

- ___ Supportive Services Plan approval, if applicable
- ___ NJ Dept. of Human Services funding **and** approval
- ___ NJHMFA Approval
- ___ Other
- ___ HUD Fund Reservation Letter/Commitment/Site Approval
- ___ Executed Social Service Agreement
- ___ Letter from zoning officer confirming property is zoned for intended use OR appropriate local resolutions, OR letter from Sponsor's counsel confirming appropriate local zoning for the project.
- ___ Special Needs Design Application Checklist

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

- ___ Board Resolution with Bond Documents, (If applicable)
- ___ Board Resolution Authorizing Mortgage Commitment and Commitment Proforma/Cash Flow (Agency Form 10)*, (If applicable)
- ___ Commitment Letter and Indemnification Deposit (Commitment Letter to be executed by Sponsor and returned with Deposit within 10 days of mortgage commitment)*, (If applicable)
- ___ Board Resolution Authorizing Mortgage Re-Commitment and Re-Commitment Proforma/Cash Flow (Agency Form 10)*, (If applicable)

___ Re-Commitment Letter and Re-Commitment Fee (Re-Commitment Letter to be executed by Sponsor and returned with Fee within 10 days of mortgage re-commitment)*, (If applicable)

III. TAX CREDIT PROJECT RATE LOCK PROGRAM

REQUIREMENTS FOR THE 9%

- ___ Rate Lock Information Sheet
- ___ Receipt of Rate Lock Fee
- ___ Executed Rate Lock Agreement
- ___ Rate Lock Personal Guaranty

REQUIREMENTS FOR THE 4%

- ___ Rate Lock Information Sheet
- ___ Receipt of Rate Lock Fee
- ___ Bond Counsel Questionnaire
- ___ The completed submission will have to be reviewed and approved by our bond/tax counsel before the Agency can move forward at all with the 4% rate lock.
- ___ Executed Rate Lock Agreement
- ___ Rate Lock Personal Guaranty

IV. ADDITIONAL REQUIREMENTS FOR INCLUSION IN A BOND SALE

NOTE: If the project will not receive bond funds or an interest rate lock, the following items are required for CLOSING in addition to the items noted in SECTION V of this checklist.

SPONSOR:

- ___ Current Operations Agreement for, as applicable:
 - ___ Sponsoring Entity (By-laws: Corporation; Partnership Agreement: Limited Partnership; Operating Agreement: Limited Liability Company. Must contain NJHMFA Statement – ***assigned paralegal can provide language***)
- ___ *DRAFT Operating Agreement with all Exhibits attached for Sponsoring Entity as it will exist once Limited Partner investor/Investor Member is included.*
Must contain NJHMFA Statement – ***assigned paralegal can provide language***)
- ___ Certificate of Good Standing - Current within 30 days of **bond sale and/or closing.**
Submit for all entities in the Organizational Structure Chart.
 - ___ Borrower
 - ___ Managing Member/General Partner
 - ___ Investor Member
 - ___ OTHER members over 10%

- ___ Evidence of Availability of Tax Credits
 - ___ 42M Letter (for projects using 4% tax-exempt financing) OR
 - ___ Reservation Letter (for projects awarded 9% competitive tax credits)
 - ___ Carryover Allocation or Binding Forward Commitment or 8609
- ___ Evidence of Perfection of Subdivision (recorded subdivision deeds or filed subdivision map), if applicable.
- ___ Copies of Loan Documents from Construction Lender
- ___ Title Insurance Commitment and Title Related Requirements (for bond sale) (**updates required for closing**)
- ___ Owners Tax Certificate (Applicable to Tax-Exempt Bond Financing Only) (original to go to Bond Counsel, copy to the Agency) Confirmation of bond counsel approval required.
- ___ Final Site Plan Approval, (If applicable)
- ___ Construction Contract with current prevailing wages attached* if not previously provided or if changed from first contract submitted.
- ___ Construction Permits (or letter that construction permits will be issued but for payment of fee)
- ___ CPA Engagement Agreement*, (*N/A for Special Needs only projects*)

Multifamily and Capital Markets prepare/provide this letter. LC only needs a copy.
 ___ Cash for Negative Arbitrage and/or Cost of Issuance (**at time of Bond Sale Only**)

With Construction and permanent Financing Agreement.

- ___ Attorney Opinion Letter for bond sale* (**Bond Sale Only**)

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

- ___ Bond Letter with Bond Proforma/Cash Flow (Agency Form 10*) (**at time of Bond Sale Only**)
- ___ Permanent Financing Agreement* (**prepared by paralegal**)
- ___ Satisfaction of Agency Board Commitment Requirements, if any, unless specifically noted as loan closing requirements.
- ___ Credit Officer to Circulate TEFRA Sheet to Borrower (*tax-exempt projects only*)
- ___ Confirmation from Bond Counsel for Pooled Issuance:
 - ___ Owners Tax Certificate (Applicable to Tax-Exempt Bond Financing Only) (original to go to Bond Counsel, copy to the Agency)

V. CLOSING REQUIREMENTS

All numbers, including draw schedules and a final Form 10 must be completed no later than 72 hours prior to closing. In the event the numbers change on the Form 10, draw schedule, or any other numbers change within 72 hours of the scheduled closing, then the closing will be rescheduled.

(All items are due at least two weeks before anticipated closing date.)

SPONSOR:

- ___ Contractor's Liability Insurance Certificate (naming Sponsor and NJHMFA as Additional Insured)

- ___ FINAL Executed Operations Agreement with all Exhibits attached for Sponsoring Entity (Final needed at Closing) ***assigned paralegal can provide required HMFA language***
 - ___ Partnership Agreement (LP) with HMFA Statement
 - ___ Operating Agreement (LLC) with HMFA Statement
 - ___ By Laws (Corporation) with HMFA Statement

- ___ Deed Evidencing Title in Sponsor's Name (if applicable)
(If Ground Lease – Fully Executed Ground Lease)

- ___ Certificate of Good Standing - Current within 30 days of **bond sale and/or closing**
 - ___ Borrower
 - ___ Managing Member/General Partner
 - ___ Investor Member
 - ___ OTHER members over 10%

- ___ Title Insurance Commitment and Title Related Requirements (updates required for closing)
*Commitments needed for each Agency or Agency administered loan closing. **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
 - ___ 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
- ___ Gap language
- ___ 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 Letter (AT TIME OF CLOSING) (in writing)**

- ___ Filed Notice of Settlement (*Valid for 60 days prior to closing*)

- ___ Closing Bills: invoices for payment; paid invoices and cancelled checks for reimbursement

- ___ Payoff Letter for any Mortgages or other liens to be discharged along with wiring instructions for payoff

- ___ W-9 Escrow Account forms* and SS4 for Borrower/Project Entity/Buyer and for each vendor

- ___ 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](#).

- ___ Housing Resource Center (“HRC”) registration of project. (*N/A for Special Needs Only projects*)

- ___ Other Regulatory Approvals, if applicable:
 - ___ NJ DEP Treatment Works Approval (Sewer), if applicable
 - ___ Wetlands Approval, if applicable
 - ___ CAFRA Approval
 - ___ Pinelands Approval, if applicable
 - ___ Approval(s) from Municipal/County/State Authority, if applicable

- ___ Executed Rental Assistance Agreements, if applicable

- ___ Evidence of completion of Environmental Remediation Plans, if applicable
TS will advise if there is any remediation required after they review the Phase I. If remediation is required, they may require a Phase II

- ___ Insurance Policy Approval. **PLEASE NOTE: The Agency’s Insurance Division requires a full 30 days to review insurance submissions. Please keep this in mind when anticipating a closing date.**

- ___ Flood Insurance Certificate and Policy, if applicable (naming NJHMFA as First Mortgagee, Additional Insured and Loss Payee)
- ___ Sponsor Development Cost Audit, or audit document as otherwise approved/required by the Agency (*Special Needs Projects form of Audit required*)
Required 6 weeks prior to anticipated closing date.
- ___ 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

Architect/Engineer Documents:

- ___ Final As-Built Survey (1 sealed originals and one electronic copy certified to Sponsor, HMFA and Title Insurance Company showing as-built condition of property including location of all buildings), (If applicable)
- ___ Sealed and signed Final As-Built Drawings & Specifications, (If applicable)
- ___ Architect's Certificate of Substantial Completion with punchlist, *if applicable.*
- ___ Certificate of Occupancy covering all units, *if applicable*
- ___ Architect's Letter certifying all warranties and maintenance manuals were delivered to Project Sponsor

Contractor Documents:

- ___ 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.**
- ___ Releases from all subcontractors* Verified List of Subcontractors, **which needs to list the following: Name of Subcontractor, Amount Paid and the Last Date worked on Site.** (*for subcontracts valued at \$10,000 and/or above*), if applicable.
- ___ Consent of Surety to final payment to Contractor (AIA form), if applicable
- ___ Permanent Guarantee:
For Agency Permanent Financing (or Permanent Conversation for C/P): Sponsor has the option of providing a 10% Letter of Credit, 30% Warranty Bond in lieu of Payment and Performance Bond.
Note this guarantee will be required to exist for a period of two years post construction completion as determined by the Certificate of Occupancy date or Architect's Certificate of Substantial Completion, whichever is later. For Special Needs Only projects, refer to Special Needs Program document checklist requirements.
A.M. Best Rating for Surety Provider: _____

TAX CREDITS GREEN REQUIREMENTS:

- Post-Construction Authorization Letter (*consult with Technical Services for specific requirements*)

- Management Agreement Package* (Asset Management) (*in triplicate*) Forms available on NJHMFA website: <http://www.state.nj.us/dca/hmfa> - as applicable
 - Self-Managed (NJHMFA form MD 103.2)
 - Broker Managed (NJHMFA form MD 103.1)

NJHMFA:

- Closing Proforma/Cash Flow (Agency Form 10)* **Please note that a closing date will not be scheduled until a Closing Form 10 has been finalized with the Agency.**
 - Final Source & Uses Acknowledgement
 - Closing Statement
 - Receipt of Other Funding Sources, if applicable

- Loan Documents* for Permanent loan closing.
 - Financing, Deed Restriction and Regulatory Agreement
 - Mortgage Note
 - Mortgage & Security Agreement
 - UCC-1 Financing Statement
 - Assignment of Syndication Proceeds signed by Investor and Sponsor, if applicable
 - Disbursement Agreement, if applicable
 - Escrow Closing Agreement, if applicable
 - Tax Credit Deed of Easement and Restrictive Covenant (*prepared by Tax Credits*)
 - Errors and Omissions Statement
 - Other: _____

VI. POST CLOSING

- Title Policy **and** Recorded Loan Documents (Post Closing)