|  |  |  |
| --- | --- | --- |
| **Full Corporate Credit Review Checklist**  Section 232 Portfolio | **U.S. Department of Housing and Urban Development**  Office of Residential Care Facilities |  |

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

|  |
| --- |
| **Portfolio Name:** |
|  |

**SUBMISSION REQUIREMENTS:**

* Send one electronic (CD, flash drive, etc.) copy of all the documents identified in the table below to staff member identified by ORCF for receipt of the Firm Application submission.
* ORCF will email you with the instructions for sending hard copies (if any are required).

| **No.** | **Item** | **N/A** | **Incl.** |
| --- | --- | --- | --- |
| **Section 1: Underwriting** | | | |
|  | Corporate Credit Review Checklist |  |  |
|  | Description of scope/purpose of review, description of the company, identification of Controlling Entites/Principals |  |  |
|  | Corporate Credit Analysis, if available. |  |  |
|  | Schedule of all facilities owned and/or operated by the Controlling Entity/Participant including the following:   * Legal names of the real estate and operating entities; * Location of each facility by city and state; * Number of beds and/or units; * Current debt attributed to each facility and the basis for allocation; * Revenue for each facility; * EBITDAR for each facility; * Occupancy/census data for each facility; * Identification of which facilities are to be included in the FHA financing.   *(Data to be provided for proposed portfolio AND for other facilities Owned, Operated, Managed, as applicable)* |  |  |
|  | Copies of any email guidance provided by ORCF on this portfolio before the Corporate Credit Review submittal. |  |  |
|  | HUD-2-ORCF, Request for Waiver of Housing Directive*(previously signed and/or draft form).* |  |  |
| **Section 2: Borrower (Parent/Executive Management of the proposed Borrower)** | | | |
| **2-1.** | Organizational Chart for Proposed Borrower Entities. |  |  |
| **2-2.** | Schedule of Facilities Owned, Operated or Managed (form HUD-91119-ORCF) by Borrower. |  |  |
| **2-3.** | Resumes of Executive Management. |  |  |
| **2-4.** | Rating Agency Report for Borrower *(Parent Entity which is subject of Corporate Credit Review)*, if available. |  |  |
| **2-5.** | Financial Statements -Three Years Historical and Year-to-Date   1. Balance Sheet 2. Include on Asset Ledger: Property, plant and equipment summary with accumulated depreciation listed separately. 3. Include on Liability Ledger: Long term debtholders. 4. Income and Expense Statement 5. Cash Flow Statement 6. HUD-91126-OHP, Financial Statement Certification (form HUD-91126-ORCF). |  |  |
| **2-6.** | Personal Financial and Credit Statement for Controlling Principal(s) (form HUD-92417-ORCF). *NA for publically traded company.* |  |  |
| **2-7.** | Evidence of debt service obligations, FHA mortgage insurance premiums, and related expenses in connection with mortgage loans. |  |  |
| **2-8.** | Certification that all proposed projects meet the Single Asset Borrower Entity standard. |  |  |
| **Section 3: Operator (Parent/Executive Management of the proposed Operator)** | | | |
| **3-1.** | Organizational Chart for Proposed Operator Entities. |  |  |
| **3-2.** | Schedule of Facilities Owned, Operated or Managed (form HUD-91119-ORCF) by Borrower. |  |  |
| **3-3.** | Resumes of Executive Management. |  |  |
| **3-4.** | Rating Agency Report for Operator *(Parent entity which is subject of Corporate Credit Review)*, if available. |  |  |
| **3-5.** | Operating Budget (*12 months, including census mix and occupancy assumptions)*. |  |  |
| **3-6.** | Evidence of debt service obligations associated with leased premises. |  |  |
| **3-7.** | Personal Financial and Credit Statement for Controlling Principal(s) (form HUD-92417-ORCF). *NA for publically traded company.* |  |  |
| **Section 4. Management Agent** | | | |
| **4-1.** | Organizational Chart for Proposed Management Agent |  |  |
| **4-2.** | Schedule of Facilities Owned, Operated or Managed (form HUD-91119-ORCF) by Borrower |  |  |
| **4-3.** | Resumes of Executive Management. |  |  |
| **4-4.** | Rating Agency Report for Management Agent *(Parent Entity which is subject of Corporate Credit Review*), if available. |  |  |
| **4-5.** | Operating Budget (*12 months, including census mix and occupancy assumptions)*, if applicable. |  |  |
| **Section 5: Professional Liability Insurance (PLI)** | | | |
| **5-1.** | Information on the PLI provider:   1. Copy of each insurance carrier’s license – showing the carrier name. 2. AM Best rating (or other) of insurance company. |  |  |
| **5-2.** | Limits of coverage and list of facilities (including bed counts) included under this coverage, |  |  |
| **5-3.** | The operator or its parent operator must submit a six-year loss history of professional liability claims filed against it for all facilities controlled by the operator or parent operator. The six-year loss history should be provided in annual summary form (prepared by the insurance company or third-party administrator). |  |  |
| **5-4.** | Evidence of current PLI cost. |  |  |
| **Accounts Receivable (AR) Financing Documents** | | | |
| **6-1.** | AR Loan Note and all amendments. |  |  |
| **6-2.** | HUD-92323-OHP, Lessee Secuirty Agreement with FHA Lender. |  |  |
| **6-3.** | Guarantees. |  |  |
| **6-4.** | 1. List of all FHA-insured facilities on the AR financing line, including property name, borrower name, location (city/state), and FHA number. 2. List of all non-FHA-insured facilities on the AR financing line, including property name, borrower name, and location (city/state). |  |  |
| **6-5.** | AR Flow of Funds Diagram. |  |  |
| **6-6.** | HUD-92322-OHP, Intercreditor Agreement. |  |  |
| **6-7.** | AR Lender Lock-box Agreement or equivalent control agreement. |  |  |
| **6-8.** | HUD-90020-OHP, Accounts Receivable Financing Certification. |  |  |
| **6-9.** | Security Agreement with AR Lender and Amendments. |  |  |
| **Section 8: Master Lease Documents Reminders** | | | |
| **7-1.** | The Portfolio Corporate Credit Review does not include a review of the master lease documents *unless those documents are already in place on part of or all of the proposed portfolio*. Master lease documents must be in final form and approved prior to submitting any individual loan application to the underwriting queue. |  |  |