

**Green and Resilient Retrofit Program (GRRP)**

**Closing Overview & Checklist: Elements Award**

**General Overview of the Closing Process for the Elements Award Cohort**

**Assignment of GRRP Grant/Loan Specialist & HUD Field Counsel**

Upon issuance of the Elements Award Commitment Letter, your transaction will begin the closing process. The GRRP Grant/Loan Specialist (GRRP GLS) will serve as your main point of contact during the closing and provide instructions for registering for Greenlight, the GRRP closing system. The GRRP GLS will contact you with instructions and will provide you with the name of the assigned HUD Field Counsel. The GRRP GLS will also arrange a kick-off call with internal and external parties to discuss the closing process, timelines, and other topics as needed.

**Required Closing Documents**

The Closing Checklist, which begins on the following page, outlines documents required for closing the GRRP award. Not all documents are applicable to all closings. Discuss any questions you may have regarding applicability of requirements with your GRRP GLS and HUD Field Counsel. The latest version of HUD documents and templates can be found in the Closing section of <https://www.hud.gov/GRRP/elements> . HUD reserves the right to make modifications to the below checklist or to request additional documents to determine compliance with the GRRP Requirements.

**Closing Package Submission**

**All draft closing packages must be uploaded via Greenlight, unless otherwise instructed by your GRRP GLS. Instructions for accessing Greenlight are attached to your Award Letter or otherwise provided by HUD. Your assigned HUD Field Counsel will need to receive an electronic copy of the draft closing package by email.** Only complete draft closing packages will be reviewed. The draft closing package must be submitted no later than 60 days prior to the desired closing date and no later than nine months following the Award Date.

**Closing Package Review**

Upon receipt of a complete draft closing package, the GRRP GLS and HUD Field Counsel will review, provide comments, and work with you to finalize all required documents in order to close. For the purposes of GRRP, the GRRP closing date is the date upon which the GRRP Use Agreement and applicable GRRP Grant or Surplus Cash Loan documents are effective. You will receive instructions from your GLS regarding documents required to be submitted after closing as part of the final closing docket. Note: FHA-GRRP Closings will follow the existing FHA requirements and closing process with the addition of a GRRP GLS who will review the GRRP-specific documents.

**Additional Closing Requirements**

Please note that the closing checklist only pertains to the closing of the GRRP award. Owner is responsible for ensuring that additional requirements to proceed to closing with other funding sources are met~~.~~

**Resident Engagement During the Closing Process**

Within 30 days of the Elements Award Commitment letter, the Owner must provide written notification to all residents of the property that the property has been selected for funding under GRRP. Additionally, if the Owner has not had a meeting with the residents regarding the underlying recapitalization transaction within the preceding 6 months of the Award Date, the Owner must conduct a resident meeting. Please see Section 8 of the GRRP Notice for additional information and requirements.

**Closing Checklist: Elements Award**

| **sNo.** | **Document Name** | **Additional Information/Instructions** | **Included?** |
| --- | --- | --- | --- |
| *Return the fully executed commitment letter electronically to HUD within 30-days of Award:* |
| 1 | Elements Award Commitment Letter  | *Fully executed version with all attachments must be returned to HUD electronically within 30 days of the Award Date, unless otherwise extended by HUD.*  | [ ] Yes [ ] No |
| *The remaining draft closing package documents should be submitted to HUD no later than 9 months following the Award and at least 60 days in advance of the desired closing date:* |
| 2 | Closing Contact List | *Provide names and contact information for parties that will be involved in the GRRP closing process. This should also include contact information for a third party who will be serving as the escrow agent for purposes of the GRRP closing.* | [ ] Yes [ ] No |
| 3 | Proposed assignment of the Elements Award Commitment Letter (if applicable) | *If the awardee is proposing to assign the fully executed Elements Award Commitment letter to a different entity as part of the GRRP award closing process, include a draft assignment.* | [ ] Yes [ ] No [ ] N/A |
| 4 | GRRP Use Agreement |  *Use HUD-provided form* | [ ] Yes [ ] No |
| 5 | Agreement(s) to Subordinate to the GRRP Use Agreement  | *Required for all existing or proposed financing liens. HUD-provided template available.* | [ ] Yes [ ] No [ ] N/A |
| 6 | GRRP Grant Agreement and Memorandum of Grant AgreementOR GRRP Surplus Cash Loan Agreement | *Use HUD-provided form.* | [ ] Yes [ ] No |
| 7 | Surplus Cash Loans only: GRRP Mortgage & Security Instrument  | *Use HUD-provided form. State-specific provisions and/or addenda may be required.*  | [ ] Yes [ ] No [ ] N/A |
| 8 | Surplus Cash Loans only: GRRP Surplus Cash Note  | *Use HUD-provided form.* | [ ] Yes [ ] No [ ] N/A |
| 9 | Surplus Cash Loans only~~:~~ Uniform Commercial Code (UCC) Financing Statements (State & County) |  | [ ] Yes [ ] No [ ] N/A |
| 10 | Evidence of Title (Deed or Ground Lease) |  | [ ] Yes [ ] No |
| 11a | Title Insurance Policy | *For Surplus Cash Loans: 2006 ALTA form; Lender’s policy naming HUD as the insured; Required endorsements (to the extent available in the property jurisdiction): same as survey endorsement (or similar coverage) & endorsement to strike mandatory arbitration. Leasehold policies must also include the Leasehold Endorsement.* *For Grants: Owners must provide a copy of the Owners title policy or a title commitment, which must include the same as survey endorsement and an endorsement to strike mandatory arbitration, to the extent those are available in the jurisdiction.*  | [ ] Yes [ ] No |
| 11b | Title Exceptions | *Provide accessible links to all existing title exception documents or separately provide copies of the exception documents.* |  |
| 12 | Proposed Restrictive Covenants and/or other land use restrictions  | *Must provide copies of all existing and proposed restrictive covenants or other land use* restrictions*(other than GRRP Use Agreement).* | [ ] Yes [ ] No [ ] N/A |
| 13 | GRRP Shared Savings Retainer Documentation (if applicable) |
| 1. Request to HUD
 | *If the Owner wishes to utilize the GRRP Shared Savings Retainer, the Owner must submit a written request to HUD so that HUD can calculate the Retainer and issue a HAP Addendum as part of the Closing process. The third party study must be attached to the request along with a copy of the project’s current HUD-approved rent schedule. See Section 9.5 of the GRRP Notice for more information.* | [ ] Yes [ ] No [ ] N/A |
| 1. GRRP HAP Addendum for Shared Savings Retainer (HUD to prepare)
 | *Note that HUD will prepare the GRRP HAP Addendum for the Shared Savings Retainer and circulate for review/comment.* | *HUD to provide, if applicable* |
| 14 | Request for Re-Determination of Allowances for Tenant-Paid Utilities (if applicable; unrelated to the GRRP Shared Savings Retainer) | *Note that this is not applicable if Owner is utilizing the GRRP Shared Savings Retainer and/or if all utilities are owner-paid.**For any utilities paid by tenants, Owner must submit utility allowance projections performed by a professional engineer based on the Scope of Work for review and approval by HUD. If approved by HUD, these projections will be used upon completion of the Scope of Work to calculate utility allowances following Notice H 2015-04, particularly Section VII. See Section 9.4 of the GRRP Notice for more information.**If utility allowances would decrease, Owners must follow the requirements described in Notice H 2015-04* | [ ] Yes [ ] No [ ] N/A |
| 15 | GRRP HAP Addendum for Financial Statements and Property Inspections |
| 1. Copy of original assistance contract
 |  | [ ] Yes [ ] No |
| 1. Copy of most recent renewal
 |  | [ ] Yes [ ] No |
| 1. GRRP HAP Addendum for Financial Requirements
 | *Required for all properties. Use HUD provided form (HUD Form 5995-A.)* | [ ] Yes [ ] No |
| 16 | Sources & Uses | *Provide the final Sources & Uses via Greenlight.* | [ ] Yes [ ] No |
| 17 | Commitments for other sources of financing | *Provide commitment letters for all funding sources identified in the Sources & Uses.* *For all hard debt, provide a copy of the note(s) and mortgage(s).**Note that if there have been no changes since the GRRP application and the letters have not expired, these may be the same commitment letters submitted with the original GRRP application.* | [ ] Yes [ ] No |
| 18 | Consent to participate in GRRP from existing lien or interest-holders | *Provide letters from existing lienholders consenting to the GRRP requirements associated with the GRRP Grant or Surplus Cash Loan terms and requirements, including the Use Agreement. HUD has a template letter if needed.* | [ ] Yes [ ] No |
| 19 | 20-year Operating Pro Forma | *Submit a copy of the 20 year operating pro forma using the same format that was provided with the GRRP Elements Application. Note that you will also need to input the operating proforma into Greenlight.* | [ ] Yes [ ] No |
| 20 | 20-year Replacement Reserve Analysis | *Note that if there have been no changes, this can be the same 20 year replacement reserve analysis document submitted with the GRRP Elements Application.* | [ ] Yes [ ] No |
| 21 | Consolidated Owner Certification | *Use the HUD-provided template.*  | [ ] Yes [ ] No |
| 22 | Counsel Opinion(s) | *Use the HUD-provided template.**Opinion should include list of any pending litigation, if applicable.* | [ ] Yes [ ] No |
| 23 | Certification and Assurances | *Use the HUD-provided template.* | [ ] Yes [ ] No |
| 24 | Owner’s Organizational Documents: | *Submit for entity that will be receiving Elements award at closing. Generally, these should be dated within 60 days of closing, unless the Owner can provide assurances of no change or otherwise approved by HUD.* |
|  | 1. Organizational chart showing Controlling Participants
 | *Controlling Participants as defined by HUD’s 2530/previous participation guidelines.* | [ ] Yes [ ] No |
|  | 1. Owner's Incumbency Certificate (must show Controlling Participants)
 |  | [ ] Yes [ ] No |
|  | 1. Authorizing Resolution
 |  | [ ] Yes [ ] No |
|  | 1. 1. Filed Formation Documents: Articles of Organization; Certificate of Limited Partnership, or Articles of Incorporation (as applicable)

 2. Governing Documents:  Operating Agreement; Partnership Agreement; or By-Laws (as applicable) |  | [ ] Yes [ ] No |
|  | 1. Certificate of Existence, Certificate of Good Standing, or similar document from the Secretary of State providing the legal name of the Project Owner
 |  | [ ] Yes [ ] No |
|  | 1. Foreign Status Registration, if applicable
 |  | [ ] Yes [ ] No[ ] N/A |
| 25 | Construction Documentation |
| 1. Proposed Draw Schedule
 | *Format of Owner’s choosing but proposed schedule must be in-compliance with Section 3.5 of the GRRP Notice.* | [ ] Yes [ ] No |
| 1. Construction Contract
 | *Provide draft and then copy of fully executed contract at closing* | [ ] Yes [ ] No |
| 1. Payment and Performance Bond
 | *HUD (“Secretary of Housing and Urban Development (HUD)”) should be listed as a dual obligee if the owner is receiving a Surplus Cash Loan* | [ ] Yes [ ] No |
| 1. Owner Completion Guaranty
 | *In favor of HUD with respect to the GRRP Scope of Work.* | [ ] Yes [ ] No |
| 1. Final Scope of Work including all Elements Investments and the Schedule of Values
 | *The approved list and cost of the Elements Investments are attached to the Elements Award Commitment Letter. Any proposed changes, including changes in pricing, must be submitted to HUD for review and approval. If bids submitted with original GRRP application have expired, submit updated bids to support pricing.**Owner must also submit a separate document in a format of their choosing detailing the entire scope of work associated with the recapitalization event, inclusive of the Elements Investments, with final pricing and schedule of values.* | [ ] Yes [ ] No |
| 26 | Evidence of other required HUD approvals, if applicable | *Owners are responsible for working with their assigned Account Executive and/or PBCA to obtain any required approvals that may be triggered by the Award and GRRP-funded work and must provide evidence that all required approvals have been received in advance of closing. See Section 9.10 of the GRRP Notice.* *Examples of potential HUD approvals include: Assignments of Assistance Contracts; Pass Through; Bifurcations of HAP Contracts; Transfers of Physical Assets; Approval of New Management Agent (including applicable previous participation clearances); Approval of new ownership or new Principals (including applicable previous participation clearances); Assistance Contract renewals; and Rent adjustments under Assistance Contracts.* | [ ] Yes [ ] No [ ] N/A |
| 27 | Description of Planned Relocation Activities, if applicable | *Submit copy of relocation plan if residents will be relocated as a result of the scope of work.*  | [ ] Yes [ ] No [ ] N/A |
| 28 | Copy of the written notice sent to residents and evidence of resident meeting, as applicable | *See Section 8 of the GRRP Notice for requirements.* | [ ] Yes [ ] No |
| 29 | Evidence of satisfaction of any required environmental mitigations identified by HUD as part of the Environmental Review | *Provide evidence that all pre-closing conditions identified as part of the environmental review process have been satisfied.* | [ ] Yes [ ] No [ ] N/A |
| 30 | Other documents, as needed |
| 1. ~~Intercreditor Agreement~~
 | *~~If required by other funding sources~~* | [ ] Yes [ ] No [ ] N/A |
| 1. Purchase & Sale Agreement, if applicable
 |  | [ ] Yes [ ] No [ ] N/A |
| 1. Survey and/or Site Plan
 | *Copy of existing survey if required by HUD counsel; new easements or encumbrances may require submission of new survey depicting the easement or encumbrance.* | [ ] Yes [ ] No [ ] N/A |
|  | d.[GRANTS ONLY] HUD Form SF1199A with bank account information | *Required for grants only. Owner must complete and submit HUD Form SF1199A with bank account information (voided check or letter on bank letterhead with account details). See “Banking Request and SF-1199A Instructions for GRRP Grant Awardees.” Owner should submit via encrypted email until Greenlight upload is available.* | [ ] Yes [ ] No [ ] N/A |
|  | 1. Other items
 |  | [ ] Yes [ ] No [ ] N/A |
| ***Complete the following steps immediately after closing:*** |
| 1 | Notify your GLS and your assigned HUD Account Executive via email that closing has occurred |  | [ ] Yes [ ] No |
| 2 | Upload copies of certain documents to your GLS within 3 days of closing as outlined in the escrow instructions letter.  | *Review your GRRP closing escrow instructions letter. HUD may request copies of specific documents immediately following closing. These documents may include: 1) Recorded GRRP Use Agreement; 2) fully executed GRRP HAP Addendum(s) (as applicable); 3) fully executed GRRP Grant or Loan Agreement; 4) Surplus Cash Loan Note and Security Instrument; 5) any other documents requested by HUD in the escrow instructions letter.*  | [ ] Yes [ ] No |
| 3 | Surplus Cash Loans Only: Mail copy of original Note to HUD | *Owner must return original copy to HUD’s Office of Recapitalization:**U.S. Department of Housing & Urban Development**451 7th Street, SW**Room 6230**Washington, DC 20410* | [ ] Yes [ ] No [ ] N/A |
| 4 | Upload the Final Closing Docket submission to Greenlight within 30 days of closing | *This submission must include all final, fully executed documents submitted with the draft closing package plus copies of all financing and due diligence documents associated with the large recapitalization event. See the GRRP Elements Award Final Closing Docket submission checklist for more information.* | [ ] Yes [ ] No |

Financing