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| **Master Lease Termination****Checklist**Section 232 | **U.S. Department of Housing and** **Urban Development**Office of Residential Care Facilities |

**Warning:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

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| --- |
| **Project Name:**       |
| **Project Number:**       |
| **Applicant Name:**       |

**SUBMISSION REQUIREMENTS:**

* This form should only be used in situations where a project will be **released from a** **Master Lease** but retain its FHA-insured mortgage, and the Master Lease is being terminated.
* The Lender must notify HUD when borrowers wish to terminate their FHA-insured loan (see *Section 232 Handbook 4232.1, Section III Asset Management, Chapter 3.3 Prepayment Provisions and Prohibitions* for further description of these requirements*)*. In that instance, the Lender should **not** use this checklist, and instead use the Prepayment and Requests for Insurance Termination Checklist.
* In situations where a release from and termination of the Master Lease is caused by a Change of Ownership, the Lender should **not** use this checklist, and instead use the Change of Ownership Review Checklist.
* Lender shall transmit the checklist documents via the HUD Healthcare Portal (link [here](https://www.hud232portal.com/)). In the Portal, select *Asset Management > Project Request Form > Master Lease Termination*.
* It is **critical** that you name each file according to the naming convention provided in the checklist **highlighted in green.** These highlighted numbers are important codes that “guide” the Portal system to recognize the type of transaction submitted, section number of the checklist, and the identity of the document. Therefore, appropriate file names for this submission package would include **99901-a\_Lender’s Narrative [OR] 99901-a\_LendersNarrative [OR] 99901-a\_LNarrative.** In all three examples, the critically important portion of the file name is the five-digit number, dash, letter, and underscore that have been highlighted in green on the checklist. Do not use the following characters in your file names: Less than: (<), Greater than: (>), Colon: (:), Double quote: ("), Forward slash: (/), Backslash: (\), Vertical bar or pipe: (|), Question mark: (?), Asterisk: (\*).

| **No.** | **Item** | **Incl.** | **N/A** |
| --- | --- | --- | --- |
|  | **91701-a\_**Copy of completed **Master Lease Termination Checklist**  | [ ]  |  |
|  | **91702-a\_**Mortgagee Letter of Recommendation Must include the following:* List of projects on the Master Lease
* List of FHA-insured projects that are impacted by the Master Lease termination
* Confirmation of HUD approval to release projects from Master Lease
* Lender recommendation
* Master Lease Analysis *(applicable if one or more projects that are subject to the Master Lease will remain FHA-insured).* Include trailing 12-month DSCR for all properties currently on the Master Lease and provide T-12 showing only properties remaining on Master Lease to ensure remaining properties have 1.45 DSCR after payoff.
 | [ ]  |  |
|  | Master Lease and Master Lease Addendum1. **91703-a\_**Copy of Master Lease and Master Lease Addendum (HUD-92211-ORCF), including all amendments
2. **91703-b\_**Draft Amendment to HUD Master Lease (Partial Termination and Release (HUD-92342-ORCF)
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Memorandum of Master Lease1. **91704-a\_**Copy of Recorded Memorandum of Master Lease
2. **91704-b\_**Draft Termination of Memorandum of Master Lease
 | [ ] [ ]  | [ ] [ ]  |
|  | Existing Operator Sublease and Addendum to Operating Lease1. **91705-a\_**Copy of Existing Operator Sublease and Operator Lease Addendum (HUD-91116-ORCF)
2. **91705-b\_**Draft Termination of Operator Sublease
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Memorandum of Operator Sublease1. **91706-a\_**Copy of Recorded Memorandum of Operator Sublease
2. **91706-b\_**Draft Termination of Memorandum of Operator Sublease
 | [ ] [ ]  | [ ] [ ]  |
|  | New Draft Operating LeaseThis is a new set of Operating Lease documents between the Borrower as Lessor, and Operator as Lessee1. **91707-a\_**Draft Estoppel Certificate (HUD-91117-ORCF)
2. **91707-b\_**Draft Operating Lease with attached Operator Lease Addendum (HUD-91116-ORCF)
3. **91707-c\_**Draft Memorandum of Operating Lease
4. **91707-d\_**Draft Subordination [, Non-Disturbance and Attornment] Agreement (HUD-91110-ORCF)
 | [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ]  |
|  | Cross Default Guaranty of Subtenants1. **91708-a\_**Copy of Cross Default Guaranty of Subtenants (HUD-92331-ORCF)
2. **91708-b\_**Draft Termination of Release of Cross Default Guaranty of Subtenants, Section 232 (HUD-92341-ORCF)
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Master Tenant Security Agreement and Master Tenant Assignment of Leases and Rents1. **91709-a\_**Copy of Recorded Master Tenant Security Agreement (HUD-92340-ORCF) and Master Tenant Assignment of Leases and Rents (HUD-92334-ORCF)
2. **91709-b\_**Draft Termination of Master Tenant Security Agreement
3. **91709-c\_**Draft Termination of Master Tenant Assignment of Leases and Rents
 | [ ] [ ] [ ]  | [ ] [ ] [ ]  |
|  | Recorded Master Lease Subordination [, Non-Disturbance and Attornment] Agreement1. **91710-a\_**Copy of Recorded Master Lease Subordination [, Non-Disturbance and Attornment] Agreement (HUD-92333-ORCF)
2. **91710-b\_**Draft Termination of Master Lease Subordination [, Non-Disturbance and Attornment] Agreement
 | [ ] [ ]  | [ ] [ ]  |
|  | Deposit Account Control Agreement (DACA)The DACA must be placed on an account other than the Master Tenant account.1. **91711-a\_**Copy of Deposit Account Control Agreement (DACA)
2. **91711-b\_**Draft Amendment to DACA
 | [ ] [ ]  | [ ] [ ]  |
|  | Deposit Account Instructions and Services Agreement (DAISA)The DAISA must sweep to the new DACA account.1. **91712-a\_**Copy of Deposit Account Instructions and Services Agreement (DAISA)
2. **91712-b\_**Draft Amendment to DAISA
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Security InstrumentIf the version of the form used is dated prior to June 2019, references to the Master Tenant/Lease must be removed.1. **91713-a\_**Copy of Recorded Security Instrument (HUD-94000-ORCF)
2. **91713-b\_**Draft Amendment to Security Instrument
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Healthcare Regulatory Agreement – BorrowerIf the version of the form used is dated prior to June 2019, references to the Master Tenant/Lease must be removed.1. **91714-a\_**Copy of Recorded Healthcare Regulatory Agreement – Borrower (HUD-92466-ORCF)
2. **91714-b\_**Draft Amendment to Healthcare Regulatory Agreement – Borrower
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Healthcare Regulatory Agreement – Master Tenant1. **91715-a\_**Copy of Recorded Healthcare Regulatory Agreement – Master Tenant (HUD-92337-ORCF)
2. **91715-b\_**Draft Release of Healthcare Regulatory Agreement – Master Tenant
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Master Tenant UCC—1 Financing Statements1. **91716-a\_**Copy of Recorded Master Tenant UCC-1 Financing Statements
2. **91716-b\_**Draft Termination of Master Tenant UCC-1 Financing Statements
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Healthcare Regulatory Agreement – OperatorIf the version of the form used is dated prior to June 2019, references to the Master Tenant/Lease must be removed.1. **91717-a\_**Copy of Recorded Healthcare Regulatory Agreement – Operator (HUD-92466A-ORCF)
2. **91717-b\_**Draft Amendment to Healthcare Regulatory Agreement – Operator
 | [ ] [ ]  | [ ] [ ]  |
|  | Operator Security AgreementIf the version of the form used is dated prior to June 2019, references to the Master Tenant/Lease must be removed.1. **91718-a\_**Copy of existing Operator Security Agreement (HUD-92323-ORCF)
2. **91718-b\_**Draft Amendment to Operator Security Agreement
 | [ ] [ ]  | [ ] [ ]  |
|  | Recorded Operator Assignment of Leases and RentsIf the version of the form used is dated prior to June 2019, references to the Master Tenant/Lease must be removed.1. **91719-a\_**Copy of existing recorded Operator Assignment of Leases and Rents
2. **91719-b\_**Draft Amendment to Operator Assignment of Leases and Rents
 | [ ] [ ]  | [ ] [ ]  |
|  | **91720-a\_**Title Insurance Policy Date-Down Endorsement Confirming that the FHA-insured Mortgage is still in first lien position after the recording of the Amendments to the Security Instrument and Regulatory Agreements, and all other amendments and terminations.  | [ ]  | [ ]  |
| **21.** |  **91721-a\_THIS LINE INTENTIONALLY LEFT BLANK**  |  |  |
| **22a.** | **91722-a\_**AR Lender confirmation that Master Lease Termination will not be considered a default under the AR loan documents  | [ ]  | [ ]  |
| **22b.** | **91722-b\_**Attorney’s Certification on Execution and Recordation (*See ORCF Loan Serving Guidance home page*)  | [ ]  | [ ]  |
| **FINAL SUBMISSION DOCUMENTS** |
|  | **91723-a\_**Final Submission Documents *(as applicable)*  When uploading, please clearly identify what the document is in the file name. | [ ]  | [ ]  |