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| **Accounts Receivable (AR) Financing Checklist — Modified**  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:** |
| **FHA Lender:** |
| **AE Name:** |
|  |

An **Accounts Receivable (AR) Financing** review request may be submitted at any time during the life of an FHA-insured mortgage. This checklist only applies to existing, approved AR loans for which the parties desire ORCF approval to change a Material Term (defined either in the 232 Handbook or the Operator’s Regulatory Agreement).

Requests for approval of AR financing must be submitted by the FHA Lender. Upon receipt, the request will be reviewed by the assigned Account Executive (AE). Lenders may be able to submit one Initial Submission for AR Loan Modifications impacting multiple projects with the understanding that Final Submissions will be submitted for each FHA project. This will only apply when the multiple projects on the line are in the same state. Lender should communicate with the assigned Account Executive (AE) prior to application submission.

**SUBMISSION REQUIREMENTS:**

* This form should only be used for the approval of a change of a Material Term for an existing, approved **Accounts Receivable (AR) Financing** loan.
* Lender shall transmit the checklist documents via the HUD Healthcare Portal (link [here](https://www.hud232portal.com/)), and one (1) additional hard copy of the documents to the designated HUD attorney. In the Portal, select *Asset Management > Project Request Form > AR Financing*. Fill out the information and from the *Project Action Request Type*, select the applicable type of transaction being submitted.
* 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** |
| --- | --- | --- | --- |
|  | **92701-a**\_Copy of completed Accounts Receivable (AR) Financing Checklist |  |  |
|  | **92702-a\_**Lender Narrative for AR Modification  ***(this document will be available soon)*** |  |  |
|  | **92703-a\_** Cover Letter  *A written narrative summary of proposed transaction is recommended, outlining the existing material terms and the proposed changes to those terms.* |  |  |
|  | **92704-a**\_List of all facilities included on AR financing line  *Include project name, operator, Assigned AE, FHA number, FHA Lender, project state.* |  |  |
|  | **92705-a**\_AR Cash Flow of Funds Diagram  *Cash Flow Chart is typically Exhibit C of the Operator Security Agreement* |  |  |
|  | **92706-a**\_Draft AR Loan Documents  *Including all exhibits, schedules, addenda, riders, allonges, etc. Missing schedules, etc. cause delay.* |  |  |
|  | **92707-a**\_HUD-92323-ORCF, Operator Security Agreement and exhibits  *Provide if there are any changes to exhibits A or B.* |  |  |
|  | **92708-a**\_Existing AR Loan Documents and all amendments |  |  |
|  | **92709-a**\_UCC Searches for Operator(s) |  |  |
|  | **92710-a**\_Draft HUD-92322-ORCF, Intercreditor Agreement  *Clean and redlined versions, with all schedules and exhibits completed. Only provide if changes are needed or the existing ICA has expired. Please note if the AR line has matured, the newest version of the ICA must be utilized.* |  |  |
|  | Draft Deposit Agreements   1. **92711-a**\_Draft AR Lender Deposit Account Instructions and Service Agreements (DAISA) 2. **92711-b**\_Deposit Account Control Agreements (DACA) [OR] 3. **92711-c**\_Blocked Account Agreements, or equivalent control agreement(s) 4. **92711-d\_**Other   *Only provide if control agreements need to change.* |  |  |
|  | **92712-a**\_HUD-90020-ORCF, Executed, Accounts Receivable Financing Certification |  |  |
|  | **92713-a**\_Accounts Receivable Financing Terms Memo(s)  *Provide originally approved AR Terms Memo and an updated AR Terms Memo documenting the proposed changes to the material terms* |  |  |
|  | **92714-a\_**Most recent Covenant Compliance Statement from AR Lender  *Signed statement from the AR Lender* |  |  |
|  | **92715-a\_**Attorney’s Certification on Recordation and Execution |  |  |

**Final Approval Process**

The applicant must provide the following items for final approval:

| **No.** | **Item** | **Incl.** | **N/A** |
| --- | --- | --- | --- |
|  | **92716-a\_**HUD-92323-ORCF, Executed Operator Security Agreement |  |  |
|  | **92717-a\_**Executed AR Loan Documents |  |  |
|  | Executed Deposit Agreements   1. **92718-a\_**Deposit Account Instructions and Service Agreements (DAISA) 2. **92718-b\_**Deposit Account Control Agreements (DACA) [OR] 3. **92718-c\_**Blocked Account Agreements, or equivalent control agreement(s) |  |  |
|  | **92719-a\_**Executed HUD-92322-ORCF, Intercreditor Agreement  *If a new ICA was provided or requested during the initial review* |  |  |
|  | **92720-a\_**HUD-90020-ORCF, New, Executed Accounts Receivable Financing Certification |  |  |
|  | 1. **THIS LINE INTENTIONALLY LEFT BLANK** 2. **92721-b\_**Attorney’s Certification on Execution and Recordation |  |  |
|  | **92722-a\_**Other |  |  |