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| **Surplus Cash/Residual Receipts Note 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 be used when there is a request to execute a **Surplus Cash or Residual Receipts Note** (for non-profits) by the Borrower of a 232 Healthcare facility.
* 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* > *Surplus Cash/Residual Receipt Note.*
* 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** |
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|  | **91101-a**\_Completed copy of the **Surplus Cash-Residual Receipts Note Checklist** |  |  |
|  | **91102-a**\_Brief Description of the Transaction  Provide a narrative to describe the purpose or reason for the surplus cash/residual receipts note request, the total amount of the loan, the sources and uses, and the repayment terms. **The Lender must disclose if the SC/RR Note is being created with the intent of refinancing both the Surplus Cash/Residual Receipt Note and the FHA-insured loan into a new 223(f).** |  |  |
|  | **91103-a**\_Subject’s Fair Market Value (FMV)  Provide evidence that supports FMV conclusion. Value of FHA loan in 1st position and proposed *private* Surplus Cash/Residual Receipts Note to be in 2nd position should not exceed 92.5% of FMV. *(Please note: A new appraisal is not required. The Lender/Borrower may present evidence of reasonable value by providing cap rate, current income/assets, original appraisal, etc. If source of funds is a government entity, FMV cap is not applicable.)* |  |  |
|  | **91104-a**\_Draft Surplus Cash Note (Form HUD-92223-ORCF) **[OR]** Draft Residual Receipts Note for non-profit borrowers (Form HUD-91710-ORCF) |  |  |
|  | **INTENTIONALLY LEFT BLANK** |  |  |
|  | **91106-a**\_Lender’s Disclosure of Any Identity-of-Interest Relationships |  |  |
| **7a.** | **91107-a**\_Lender’s Analysis and Recommendation |  |  |
| **7b.** | **91107-b\_**Attorney’s Certification on Execution and Recordation (*See ORCF Loan Serving Guidance home page*) |  |  |
| **FINAL SUBMISSION DOCUMENTS** | | | |
| **8.** | **91108-a**\_Final Submission Documents *(as applicable)*  When uploading, please clearly identify what the document is in the file name. |  |  |