|  |  |  |
| --- | --- | --- |
| Project Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Checklist Draft Date ­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| FHA Project Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Interim Closing Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

*As discussed in the Closing Guide, workouts and interim closings are each unique and have project-specific requirements. The following list may not be exhaustive, but includes items that may be helpful to review in preparation for an interim closing.*

|  | **Item** | **Status and Comment** |
| --- | --- | --- |
| 1. | All proposed Settlement/Workout Agreements with or among some or all of the following |  |
| 1. Borrower |  |
| 1. Borrower’s Principals |  |
| 1. Existing General Contractor |  |
| 1. Surety |  |
| 1. Subcontractors and material suppliers |  |
| 1. Lender |  |
| 1. Secondary Lenders |  |
| 1. Grant issuers |  |
| 1. Tax Credit issuers |  |
| 2. | Firm Commitment and necessary amendments | *Determine which, if any, conditions that were to be fulfilled during the construction period have not yet been completed, e.g. environmental issues such as asbestos removal. Include extensions, if applicable.* |
| 3. | Loan Title Policy | 1. *All documents and amendments to documents that are intended to be placed of record should be reviewed ahead of time by the HUD Closing Attorney.* 2. *HUD should receive a current date-down endorsement (not a pro forma) covering the period from the cover date of the initial policy through as current a date as possible. Check to ensure that all necessary releases, stipulations, orders for litigation dismissals will be available on closing day and persons designed to have any orders entered in court as needed.* |
| 4. | Proposed certification of sources and uses | *Must take into consideration the proposed settlement/workout agreements and proposed new financing, if any.* |
| 5. | Hub Director should check for the following possible additional costs and, if possible, factor into the reprocess | |
| 1. New design architect’s fees | *Existing plans and specs may need revision, and generate additional fees, to accommodate discoveries made during existing construction and change orders already fully agreed to under the construction contract to be terminated.* |
| 1. New architects fees for observation and scope of work |  |
| 1. New Construction Costs |  |
| 1. New payment and performance bonds costs |  |
| 1. Additional legal fees |  |
| 1. Additional title fees |  |
| 1. Taxes during construction |  |
| 1. Insurance during construction |  |
| 1. Interest during construction |  |
| 6. | Proposed amendments to the HUD firm commitment, including financial requirements for interim closing, necessitated by the terms of the various workout and settlements, additional costs, loan increases and other additional loans and/or grants |  |
| 7. | Waivers | *During the HUD Closing Attorney’s participation in the workout process, it is likely a list of needed waivers will be developed. HUD Closing Attorney should obtain 3 copies from Housing for inclusion in dockets.* |
| 8. | Borrower’s Organization Documents, Good Standing Certificates and Incumbency Certificates | *Can be obtained from HUD closing docket.* |
| 1. What, if any, amendments are needed to these items in order to implement the provisions of the workout/settlement agreements | *e.g. update the Capital Contributions provisions.* |
| 1. Obtain incumbency certificates covering the day of interim closing |  |
| 9. | Previous Participation Certification | *Submit original to Housing for processing for new principals; copied for docket.* |
| 10. | Additional Byrd Amendment Certifications | *If applicable.* |
| 11. | Borrower’s Resolution | *Update the resolution to ensure that Borrower has the authority to accept and be bound under any increased and new loans and new grant documents and that the principal who will be signing the Settlement Agreements and other interim closing documents has the necessary authority to do so.* |
| 12. | Owner/Architect Agreement | *Amend, supplement or terminate and replace as necessary.* |
| 13. | New Certification of Architect and Engineering Fees | *See sample language in Closing Guide § 5.1.* |
| 14. | Escrow Agreements | *As applicable.* |
| 15. | Restrictive Covenants / Use Agreements | *As applicable, including amendments to existing documents and/or new documents.* |
| 16. | Disbursement Agreement | *As applicable.* |

# 