**U.S. Department of Housing and Urban Development**

**WASHINGTON, DC 20410-5000**

**Title VI Loan Guarantee Program**

**Application Checklist**

The Title VI Loan Guarantee Program recommends a two-step application process. The first step is for the tribe or its tribally designated housing entity (TDHE) to request a preliminary letter of acceptance (PLA) from HUD. The second step is for the tribe’s or TDHE’s selected lender to request a firm guarantee commitment from HUD.

It is primarily the Borrower’s responsibility to enter information on the checklist; however, the Lender is responsible for underwriting, submitting the firm commitment application, and ultimately ensures that the information entered on the checklist is current.

Up to 6 months may elapse between the PLA request and the firm commitment request. During this time, there may be significant changes to the scope of the project and costs. However, project documentation requirements are similar in both the preliminary request for acceptance and the request for a firm commitment.

This checklist is designed for a two-step process with the last two columns on the right delineating if the documentation is required for the PLA application, firm commitment application or both. If the tribe/TDHE and lender decide to apply only for a firm commitment, then all the PLA and firm commitment documentation is required.

The checklist does not include all of the information reviewed for a Title VI loan guarantee. HUD will obtain additional material that may also include a tribe’s or TDHE’s audits, annual performance reports, monitoring reports, and other specific information, such as the Indian Housing Plan, and project’s environmental review status.

Although HUD may have completed a review and even issued a Title VI loan guarantee, the tribe or TDHE still has the responsibility to ensure that the construction and operation of the project, which is partially or wholly funded with Title VI financing, complies with the Indian Housing Block Grant (IHBG) regulations. The tribe’s/TDHE’s Area Office of Native American Programs can provide technical assistance on the IHBG requirements.

The following pages list items that are required when submitting a Title VI loan application.

For additional information or assistance on the Title VI Loan Guarantee Program, please call the Office of Loan Guarantee at (202) 402-4134, or your Area Office of Native American Programs.

**Preliminary Letter of Acceptance**  **Firm Guarantee Commitment**

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| SECTION 1: PROJECT INFORMATION | | | | |
| SECTION | ITEM | DESCRIPTION | PLA | FIRM |
| 1a. **Borrower** | **Cover Letter** | The cover letter should contain the following information:  Date of request  Title VI loan amount  Project summary and proposed financing  from all other sources of funds | X | X |
| **1b.**  **Borrower** | **Borrower’s Name and Identification** | The borrower information includes the following:  Full name of the borrower  Name, title and address of the primary contact  Phone number  Fax number  E-mail address of the primary contact | **X** |  |
| **1c.**  **Borrower** | **Tribe’s Name and Identification** | Tribal information is required when the borrower is a tribally designated housing entity (TDHE).  The tribal information includes the following:  Full name of the tribe  Tribe’s EIN or Tax Identification Number  Name, title and address of the primary contact  Phone number  Fax number  E-mail address of primary contact | **X** |  |
| **1d.**  **Lender** | **Lender’s Name and Identification** | The lender information includes the following:  Full name of the lender  Lender’s EIN or Tax Identification Number  Name, title and address of the primary contact  Phone number  Fax numbers  E-mail address of primary contact |  | **X** |

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| **SECTION 2: PROJECT DESCRIPTION** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTION** | **PLA** | **FIRM** |
| **2a.**  **Borrower** | **Description of Entire Project** | The detailed description should include the entire project as well as the portion specifically funded under Title VI. This includes, as applicable, the  Property’s current and proposed use(s)  Type and number of housing and community  buildings  Infrastructure that will be built or existing (roads, sidewalks, drainage and utilities) | **X** | **X** |
| **2b.**  **Borrower** | **Description of Implementation Plan** | The description should include, as applicable:  Phases of the project  Anticipated types of contracts (general contractor, project manager, infrastructure, other)  Related internal program policies and proposed changes  Status of environmental review  Major benchmarks and anticipated timelines | **X** | **X** |
| **2c.**  **Borrower** | **Purpose of**  **Title VI Loan** | Describe how the Title VI loan funds will be used | **X** | **X** |
| **2d.**  **Borrower** | **Housing Demand and Population to be Served** | The household description should be detailed but **not** include family identification.  Estimated number of households benefiting from the project  If housing, the number of families and incomes that are seeking each bedroom type  If there is a market study, survey, or waiting list information, please include it without identifying individual families. | **X** |  |

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| SECTION 2: PROJECT DESCRIPTION | | | | | |
| SECTION | ITEM | DESCRIPTION | | PLA | FIRM |
| **2e.**  **Borrower** | **Location of Project and Land Type** | Location information includes:  Address or addresses of the property, if available  Site’s spatial relationship to services and population centers  Land type (trust, allotted or fee simple)  Copy of the site plan, survey or plat | | **X** | **X** |
| **2f.**  **Borrower** | **Site Control** | Provide documentation of the borrower’s site control (purchase contract(s), lease(s) or deed(s)) | |  | **X** |
| **SECTION 3: PROJECT DEVELOPMENT COSTS** | | | | | |
| **SECTION** | **ITEM** | | **DESCRIPTON** | **PLA** | **FIRM** |
| **3a.**  **Borrower** | **Itemized Development Costs** | | Most recent itemized costs are estimated for the entire project, not just the costs that will be funded with the Title VI loan  Acquisition costs for the property  Infrastructure cost and if it was previously  built include the actual costs for  construction  Construction costs of buildings itemized by  bedroom type  Soft costs are non-construction costs  related to a project including but not  limited to legal, architectural/engineering,  insurance and loan fees  Floor plans  Elevations of each building type | **X** | **X** |

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| **SECTION 3: PROJECT DEVELOPMENT COSTS** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTON** | **PLA** | **FIRM** |
| **3b.**  **Borrower** | **Sources and Uses of Funds for Project Development** | Most recent estimated funding sources for the entire project including infrastructure that was specifically built.  Sources of funds include grants, loans and  donations  Description of the use of each funding  source | **X** | **X** |
| **3c.**  **Borrower** | **Funding Commitments** | Funding commitments from Title VI, Indian Housing Block Grants (IHBG) and Indian Community Development Block Grants (ICDBG) do not require documentation. However all other sources need to be documented by one of the following:  Written offer letters  Commitments  Contracts |  | **X** |
| **SECTION 4: PROJECT’S INCOME AND EXPENSES** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTION** | **PLA** | **FIRM** |
| **4a.**  **Borrower** | **Rental Programs**  **and Lease Purchase** | The most recent pro-forma or analysis of the project’s cash flow should include the following:  Estimated project income with itemization  of vacancy and collection losses  Estimated expenses, including, but not  limited to general administration, advertising, utilities, trash, maintenance,  legal, accounting, insurance, replacement  and operating reserves | **X** | **X** |

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| **SECTION 4: PROJECT’S INCOME AND EXPENSES** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTION** | **PLA** | **FIRM** |
|  |  | For lease purchase housing, include a  description of the program with financial  obligations of both parties. A copy of the  leasing program’s policy is an acceptable  alternative. |  |  |
| **4b.**  **Borrower** | **Project Subsidies** | Subsidies are frequently used to increase project income to make it sustainable and affordable to the occupants. Please include the most recent:  Estimate of rental subsidy, if applicable  Estimate of down payment and closing cost  subsidies for home ownership, if applicable  Other subsidies  Documentation of non-IHBG, Indian  Housing Block Grant funds, that will be  used for rent subsidies. | **X** | **X** |
| **4c.**  **Borrower** | **Proceeds from Home Sales** | If the implementation plan is to sell the units please include:  Estimated sales price(s) for each type on unit  Timing/schedule for sale(s) | **X** | **X** |

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| **SECTION 5: TITLE VI LOAN DETAILS** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTION** | **PLA** | **FIRM** |
| **5a.**  **Lender** | Borrower’s Credit Documentation | Credit information is provided by the lender and should include the following information:  A public records search  A minimum of three credit references |  | **X** |
| **5b.**  **Borrower**  **(PLA)**  **&**  **Lender**  **(Firm)** | **Title VI**  **Financing Terms** | The most recent anticipated Title VI loan terms (for the PLA or offered loan terms (for the Firm Commitment Request include as applicable:  Title VI loan amount  Construction and amortization periods  Interest rate(s) for construction and permanent financing  Adjustment terms, if the interest rate is  adjustable  Frequency of payments  Loan fee  Additional collateral, if any  For Firm Commitment Requests provide one of the following:  A copy of the lender’s executed loan approval  Accepted offer letter to the tribe/TDHE  A copy of lender’s commitment to the borrower | **X** | **X** |

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| **SECTION 6: TRIBE’s/TDHE’s DOCUMENTS** | | | | |
| **SECTION** | ITEM | **DESCRIPTION** | **PLA** | **FIRM** |
| **6a.**  **Borrower** | **Borrower Resolution(s)** | It is recommended that the resolution be executed prior to application. The resolution or draft resolution must:  Authorize the issuance of notes and  pledge of IHBG and project income  Authorize a specific individual to provide additional information and execute transaction documents  Be acceptable to HUD An example of an acceptable resolution is available from the Office of Loan Guarantee and the Office is available to review drafts. | **X** | **X** |
| **6b.**  **Borrower** | **Tribal Resolution(s)** | If a TDHE is the borrower, a separate tribal resolution will be required. The resolution or draft resolution must:  Authorize the Title VI loan guarantee transaction and pledge of IHBG funds  Authorize a specific individual to provide additional information and execute transaction documents  Be acceptable to HUD  An example of an acceptable resolution is available from the Office of Loan Guarantee and the Office is available to review drafts**.** | **X** | **X** |
| **SECTION 6: TRIBE’s/TDHE’s DOCUMENTS** | | | | |
| **SECTION** | **ITEM** | **DESCRIPTION** | **PLA** | **FIRM** |
| **6c.**  **Lender** | **Lender’s Loan Documents** | A brief statement as to the status of the proposed loan documents is required. |  | **X** |