FIELD OFFICE WORKSHEETS

A. Field Office Certification

B. Least Cost Worksheet

CILP

C. Project Summary

CILP

D. Checklist for Evaluation of the Flexible Subsidy Application

E. Project Evaluation

__________________________________________________________________________

Appendix 14A
4355.1

FIELD OFFICE CERTIFICATION

Project Name: Project Number:

I recommend that the referenced project be considered for funding. I further certify that the use of Operating Assistance or CILP under the Flexible Subsidy program for the referenced project falls within the statutory guidance, i.e., the project is troubled and that Operating Assistance or CILP is necessary to restore the project to physical and financial stability, and that its use together with other available resources will be less costly to the federal government than other reasonable alternatives by which the secretary could maintain the low- and moderate-income character of the project. If the project has received Operating Assistance in the past, I certify that amounts requested do not include previously funded items. Further, I certify that:

1. The latest review of the project identified all physical, financial and management needs of the project.
2. All physical and financial problems of the project will be corrected by the infusion of Operating Assistance.
3. At least the required 25 percent owner contribution for limited-dividend sponsors will be made during the Operating Assistance or CILP year.
4. Repair specifications have been made and are adequate.
5. Required competitive bidding procedures will be followed.
6. Adequate management will be in place.
7. The Annual Financial Statement and other reporting requirements (Excess Income, etc.) have been met.
8. Any outstanding audit findings have been closed or will be closed.
9. The minority participation initiative will be met.
10. Adequate technical resources will be provided to ensure property oversight is in place during the term of the project improvement work.
11. The Environmental Review is completed.

The above MUST be certain before signing the Financial Assistance Contract.

Loan Management Officer ___________________________ Date __________________________

Chief, Loan Management Branch ______________________ Date _______________________

Director, Housing Management ______________________ Date ________________________

Field Office Manager ______________________________ Date _________________________

I certify that the above statements, which specifically relate, in whole or in part, to the review performed by a HUD Architect/Construction Analyst, have been completed.

HUD Architect/Construction Analyst __________________ Date ________________________

form HUD-9615 (5/92) 2

Appendix 14B 4355.1

LEAST COST WORKSHEET

OPERATING ASSISTANCE PROGRAM (OAP)

Project Name ___________________________ Project No. ______________

A. Cost of OAP Option

1. Estimated costs
   Physical needs $__________
   Replacement reserve needs $__________
   Operating deficit needs $__________
   Total $__________

2. Less: Funds from alternative sources
   Other loans, grants, etc. $__________
   Owner's contribution $__________
   Total $__________

Total Cost of OAP $__________

B. Cost of Non-OAP Option

1. Estimated cost of mortgage assignment $__________
   (unpaid principal balance and accrued}
interest less reserve balances)

2. Estimated cost of foreclosure
   Acquisition cost $_________
   Repair/replacement costs $_________
   Holding costs* (12 months) $_________
   Cost of Property Disposition $_________
   Set Aside
   Total $_________

Less: Estimated Sale Price** $_________
   Recaptured interest reduction funds $_________
   Total $_________

Total Cost of Non-OAP Option $_________

* Net of any rental income.

** Best ballpark estimate.

Appendix 14B
4355.1

LEAST COST WORKSHEET

CAPITAL IMPROVEMENT LOAN PROGRAM (CILP)
(for non-Plan of Action Projects only)

Project Name _________________________________ Project No. _________

A. Cost of CILP Option

1. Estimated cost of physical needs $_________

2. Less: Funds from alternative sources
   Other loans, grants, etc. $_________
   Owners contribution $_________
   Total $_________

Total Cost of CILP $_________

B. Cost of Non-CILP Option

1. Estimated cost of mortgage assignment $_________
   (unpaid principal balance and accrued interest less reserve balances)

2. Estimated cost of foreclosure
   Acquisition cost $_________
   Repair/replacement costs $_________
   Holding costs* (12 months) $_________
Cost of Property Disposition  $__________
Set Aside
Total $__________

Less: Estimated Sale Price** $__________
Recaptured interest reduction funds $__________
Total $__________

Total Cost of Non-CILP Option $__________

* Net of any rental income.

** Best ballpark estimate.

__________________________________________________________________________
form HUD-9616 (5/92) 4

Appendix 14C 4355.1

OPERATING ASSISTANCE PROGRAM

PROJECT SUMMARY

Field Office ____________________________________________
Project Name ____________________________________________
Project No. ____________________________________________

Part I

1. Total Requested Operating Assistance Loan $__________

A. Amount necessary to correct physical deficiencies that existed when the owner applied for OA. $__________

B. Amount necessary to meet cost effective energy efficiency standards. $__________

C. Amount necessary to comply with HUD's standards for accessibility to individuals with handicaps. $__________

D. Amount necessary to replenish replacement reserves. $__________

E. Amount necessary to cover operating deficits. $__________

Part II

1. Remaining balance of present mortgage $__________

2. Operating Assistance loan as percent of remaining balance (loan amount divided by remaining balance) $__________
Part III

1. Cash contributions by owner $__________
2. Contributions from reserve accounts
3. Contributions as percent of total loan
4. Interest rate of loan as determined by Field Office %__________

__________________________________________________________________________

5. form HUD-9617 (5/92)

Appendix 14C
4355.1

Part IV

The project is eligible for incentives under a Plan of Action

_____ Yes           _____ No

____________________________________________      _________________________
Chief, Loan Management Branch                               (Date)

____________________________________________      _________________________
Director, Housing Management Division                       (Date)

__________________________________________________________________________

form HUD-9617 (5/92)                6

Appendix 14C
4355.1

CAPITAL IMPROVEMENT LOAN PROGRAM

PROJECT SUMMARY

Field Office _______________________________________________

Project Name _______________________________________________

Project No. _______________________________________________

Part I

1. Total Requested Capital Improvement Loan $__________

A. Amount necessary for capital items that have failed, or are likely to fail or deteriorate seriously within 24 months. $__________

B. Amount necessary to upgrade capital items to meet
cost effective energy efficiency standards. $________

C. Amount necessary to comply with HUD's standards for accessibility to individuals with handicaps. $________

D. Amount necessary to cover lead-based paint abatement. $________

Part II

1. Remaining balance of present mortgage $________

2. Operating Assistance loan as percent of remaining balance (loan amount divided by remaining balance) $________

Part III

1. Cash contributions by owner $________

2. Contributions from reserve accounts $________

3. Contributions as percent of total loan % ________

4. Interest rate of loan as determined by Field Office % ________

____________________________________________  _________________________
Chief, Loan Management Branch  (Date)

____________________________________________  _________________________
Director, Housing Management Division  (Date)

form HUD-9617 (5/92)

Appendix 14C
4355.1

Part IV

The project is eligible for incentives under a Plan of Action

_____ Yes  _____ No

form HUD-9617 (5/92) 8

Appendix 14D
4355.1

CHECKLIST FOR EVALUATION OF THE FLEXIBLE SUBSIDY APPLICATION

Project Name ______________________________________________________________
Project No. ______________________________ (Includes appropriate suffixes)

1. The project meets the eligibility criteria of 24 CFR 219.105
   ____ Yes
   ____ No (explain)

2. The capital improvement items in the application meet the eligibility criteria set forth in 24 CFR 219.205 for Operating Assistance, or 219.305 for CILP.
   ____ Yes
   ____ No (explain)

3. The owner has submitted a Form HUD-2530, Previous Participation Certificate, for all principals requiring clearance under these procedures and there are no outstanding findings of noncompliance by any of the principals.
   ____ Yes
   ____ No (explain)

4. The present mortgage is:
   ____ Current and insured
   ____ In default (explain)
   ____ HUD-held (explain)

5. The owner, where required, has agreed to contribute cash as part of the funding package.
   ____ Yes
   ____ No (explain)

6. The project's existing reserve balances are not sufficient to meet its needs. For HFA projects, the Chief Executive Officer must provide certification of this, as described in Paragraph 3-27 of Handbook 4355.1.
   ____ Yes
   ____ No (explain)

7. The applicable reserve balances are:
____ More than $1,000 per unit. Indicate amount per unit.

____ $1,000 per unit or less. Indicate amount per unit.

8. The owner is proposing to use funds from sources other than cash or loan proceeds, such as loans or grants for energy efficiency.

_____ Yes (explain)

_____ No

9. Fiscal or property maintenance violations of the Regulatory Agreement exist.

_____ Yes (explain)

_____ No

10. The most recent management review was:

_____ Satisfactory (or above)

_____ Marginally satisfactory (explain)

_____ Unsatisfactory (explain)

Date of Review: ________________________

11. The annual percentage increase in rent is needed to accommodate the loan is:

_____ None

_____ 10 percent or less (state percentage)

_____ More than 10 percent (explain)

12. The structural and management improvement items in the application address the Department's standards in 24 CFR Part 8, accessibility to individuals with handicaps, to the maximum extent feasible, as defined in the regulations.

_____ Yes (explain)

_____ No (explain)

13. The Office has completed the required Environmental Review and the project meets the requirements (Form HUD-4128.1 attached). There are no Section 106 Historic Preservation issues or 100-year flood plain issues that would prohibit funding of the application.
No issues exist.

Yes, issues do exist (explain)

14. The proposed actions, when considered with other available resources, will restore or maintain the physical and fiscal soundness of the project, and maintain the low- and moderate-income character of the project.

Yes (explain)

No (explain)

15. The owner has agreed to execute and record a Use Agreement that will require the owner to maintain the low- and moderate-income character of the project for a period at least equal to the remaining term of the project mortgage.

Yes

No (explain)

16. The proposed actions will be less costly to the federal government over the useful life of the project than other reasonable alternatives by which the secretary could maintain its low- and moderate-income character.

Yes (explain)

No (explain)

17. The appropriate officials of local government have been consulted and their comments have been considered in the review process.

Yes

No (explain)

18. An on-site inspection of the project has been conducted and the proposed structural improvements reflect a strategy to make the project physically sound.

Yes

No (explain)

19. The management of the project is being conducted by people who meet the PHA's/HFA's standards for professional competence and experience.
20. The loan funds, when used in conjunction with other available resources, are necessary and will restore and maintain the physical and fiscal soundness of the project and maintain its low- and moderate-income character.

_____ Yes
_____ No (explain)

21. The items included in the application meet cost-effective energy efficiency standards approved by HUD to the maximum extent feasible.

_____ Yes
_____ No (explain)

22. The estimated annual savings in operating expenses due to the implementation of energy conservation measures is:

_____ (explain fully)

23. If applicable, a review has been performed to assure that the project is in compliance with the lead-based paint testing and abatement requirements as established in Chapter 19 of Handbook 4350.1.

_____ Yes
_____ No
_____ Not Applicable

Recommendation: Application is:

_____ Approvable
_____ Approvable with Modifications (explain)
_____ Not Approvable (explain)

Loan Servicer _______________________________ Date _______________________

Loan Management Branch Chief ___________________________ Date _______________________

Director, Housing Management Division ___________________________ Date _______________________

form HUD-9618 (5/92) 12
PROJECT EVALUATION

Office: _______________________

PART I -- DESCRIPTION HIGHLIGHTS

Project Name: ______________________________     Number: __________________

Project Type:  Insured o      SHM o     Non-Ins o

Section of Act: _______________________   Sponsor:  LD o    NP o    PM o

Project identified as Troubled?  (Y/N)___   Potentially Troubled?  (Y/N)___

Is resident displacement likely?  (Y/N)

PART II -- ASSISTANCE SUMMARY

<table>
<thead>
<tr>
<th>Owner APPLICATION</th>
<th>Field RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Assistance:</td>
<td></td>
</tr>
<tr>
<td>Emergency Health and Safety Items</td>
<td>$__________</td>
</tr>
<tr>
<td>Non-Emergency Items</td>
<td>$__________</td>
</tr>
<tr>
<td>Total MIO OA Needs</td>
<td>$__________</td>
</tr>
<tr>
<td>(Owner Contribution)</td>
<td>(__________)</td>
</tr>
<tr>
<td>(Other Contributions)</td>
<td>(__________)</td>
</tr>
<tr>
<td>Total OA Requested</td>
<td>$__________</td>
</tr>
</tbody>
</table>

| Capital Improvement Assistance: |
| Emergency Health and Safety Items | $__________ | $__________ |
| Non-Emergency Items | $__________ | $__________ |
| Total CILP Need | $__________ | $__________ |
| (Owner Contribution) | (__________) | (__________) |
| (Other Contributions) | (__________) | (__________) |
| Total CILP Requested | $__________ | $__________ |

TOTAL FLEX ASSISTANCE RECOMMENDED: $__________  Category:_____

Appendix 14E
4355.1

PART III -- DETAIL OF EMERGENCY HEALTH AND SAFETY NEEDS
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Dollar Amount</th>
<th>Item Description</th>
<th>Justification as Emergency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Emergency Health and safety
Operating Assistance: $ _____________________________ Percent _____
Capital Improvement:  $ _____________________________ Percent _____

PART IV -- DETAIL OF FIELD RECOMMENDED DISALLOWANCES

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Dollar Amount</th>
<th>Item Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Recommended Disallowed Amount: $ _____________________________

Chief, Loan Management Branch       Director, Housing Management Division

form HUD-9619 (5/92) 14