**NONPROFIT SPONSOR ASSISTANCE LOAN HANDBOOK**

**APPENDIX 3**

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**SECTION 3601: NONPROFIT SPONSOR ASSISTANCE "FED MONEY" LOAN APPLICATION**

No loan may be approved unless a completed application form has been received (24 C.F.R. Part 36)

1. **Sponsor's Name, Address, Phone and Fax Number:**
   - 

2. **Date of Request:**
   - 

3. **Purpose of Application:**
   - 

4. **Amount of Assistance:**
   - 

5. **Amount Approved:**
   - 

6. **Purpose and Amount of Financial Assistance (in $):**
   - 

7. **Organizational Expenses:**
   - 

8. **Legal Fees:**
   - 

9. **Construction Fees:**
   - 

10. **Architect Fees (Design):**
    - 

11. **Preliminary Site Engineering Fees:**
    - 

12. **Legal Fees:**
    - 

13. **Other (Specify):**
    - 

14. **Total Amount of Financial Assistance:**
    - 

15. **Amount Approved:**
    - 

9. **Does the sponsor, guarantor, or any entity associated or under the control of those entities have an outstanding nonprofit sponsor guarantee ("backed money") loan under Section 3601 of the Housing and Urban Development Act of 1968 under Section 801 of the Administrative Procedures Act of 1967?**
   - Yes [ ]
   - No [ ]

10. **If yes, please answer the following questions:**

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**VALIDATION**

11. **Where is this application DISAPPROVED?**
    - 

12. **Amount of Funds Available:**
    - 

13. **Amount of Funds Approved:**
    - 

14. **Amount of Funds Disapproved:**
    - 

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**WARRANTY**

15. **The undersigned certifies that the information in this application is true and complete to the best of my knowledge and belief, and that the undersigned is a duly authorized representative of the sponsor.**

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**DETAILED INFORMATION**

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**CONFIDENTIAL**

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**SIGNATURE**

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**Date**

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**[Signature of Director: General and Administration]**

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INSTRUCTIONS FOR PREPARING APPLICATION FOR
SECTION 106 NONPROFIT SPONSOR ASSISTANCE "SEED MONEY" LOAN

The borrower shall complete Form HUD-92790 and submit an original and five (5) copies to the appropriate HUD field office. In support of all items listed in Block 8, the borrower must submit supporting bills, written estimates, receipts, and/or any contracts for professional services which have been set. The borrower must attach an itemized statement classifying all expenditures and current obligations for the line items listed in Block 8. Expenditures must be shown by chart number, date, payee amount, and purpose.

Block 9 In the "Amount of Assistance Requested" column, enter the sum of the borrower's share and the federal share for each item.

(1) Organization Expenses Enter 75 percent of the borrower's estimated expenses for telephone, postage, a fidelity bond, and travel to and from the HUD field office for the period from inception of the project to final closing. The current interest on organizational expenses must exceed $750.

(2) Legal Fees Enter 15 percent of the amount agreed to between the borrower and the attorney for legal services, excluding any amount which may relate to title or recording expenses.

(3) Consultant Fees Enter 25 percent of the amount agreed to by the borrower and the consultant and specified in the consultant's contract. If a consultant has not yet been hired by the Borrower, but will be prior to the Final Proposal stage, the borrower should enter 25 percent of the maximum fees specified in the following schedule.

<table>
<thead>
<tr>
<th>MORTGAGE AMOUNT</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $1,000.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>From $1,000.00 to $2,000.00</td>
<td>$150.00 plus 75% of excess over $1,000.00</td>
</tr>
<tr>
<td>From $2,000.00 to $3,000.00</td>
<td>$225.00 plus 3% of excess over $2,000.00</td>
</tr>
<tr>
<td>Over $3,000.00</td>
<td>$750.00</td>
</tr>
</tbody>
</table>

In no event may the entry for this item exceed 50%.

(4) Architect Fees Enter 25 percent of the amount reflected in the contract between the borrower and the architect. If an architect has not yet been selected, the borrower should estimate an amount typically charged for design services for similar projects and enter 25 percent of the estimated amount.

(5) Preliminary Site Engineering Enter the total estimated cost of boundary survey, topographic survey, and soil testing and investigation as supported by bids, receipts or estimates from surveyors, engineers, and scientists, etc.

(6) Land Enter the cost to the borrower of obtaining control of the site, e.g., cost of land options, purchase price, etc. Outright purchases of land are strongly discouraged and will only be approved under the most compelling circumstances by HUD headquarters. With respect to land options, options should have escrowed prepayment, covering at least two years from the date of the Section 201 land reservation. Option fees must always apply to the purchase price so that they may be recovered from the Section 201 land proceeds. Further, they must be reasonable and generally consistent with real estate practices in the area. Option fees may be included at that time covering a period of up to three years.

(7) Other Enter and identify any fees and charges for mortgageable items which are eligible "seed money" expenses, but which are not covered elsewhere in this application.

In completing Block 8, the borrower should be mindful that $62,500 is the maximum allowable seed money. The preceding instructions are forth maximum for individual line items. These items may be further limited by the $62,500 overall maximum.

Blocks 9 and 10 Self-explanatory. To be completed by the borrower.

Block 11 To be completed by HUD.

Block 12 To be completed by HUD.