Instructions:

1. The checklist contains seven sections to be completed concurrently by the specified reviewing disciplines. Attach extra sheets as necessary.

2. Each reviewing discipline should check all applicable items and provide all information requested, even if the application is found unapprovable on the basis of any single item or factor.

3. When completed, the reviews shall be routed to the Multifamily Housing Representative through PC&R. The MHR shall complete a summary of all reviews.

4. Applicable Fund Reservation application exhibits are identified to assist the reviewing disciplines.

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(Signature of MHR) Date

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Determination of Acceptability

Based on the preliminary evaluation, subject project is considered eligible.

OR

Based on the preliminary evaluation, this project is ineligible for processing for the reason(s) checked below:

1. Is clearly ineligible based on failure to meet one or more of the following Threshold Criteria:

   (1) The proposed facilities and intended occupants are eligible under the Section 202 program.

   (2) The Sponsor has previous experience in developing and/or operating housing, medical or other facilities, such as, but not limited to, nursing homes or senior or community centers, and/or the provision of services to the elderly, the handicapped, families or minority groups, preferably, but not necessarily among those in the low and moderate income category.

   (3) It is reasonable to expect the Sponsor will be able to meet the minimum capital investment requirements and the preliminary development costs. (Funds from a Section 106(b) loan, if requested, may be counted in determining whether the Sponsor can meet the preliminary development costs, but not the minimum capital investment.)

   (4) The Sponsor is eligible to participate in the Section 202 program.

   (5) Even without the benefit of a site visit, it is reasonable to expect the proposed site meets site and neighborhood standards requirements, including minority concentration considerations, and not being located in a floodway and/or a Coastal High Hazard Area.

   (6) The proposed project meets the cost containment and modest design requirements, including:

       - Limitation on amenities.

       - Standards limiting size of units and number of baths.

       - Limitation on two-bedroom units.
- Five percent limitation on Special Spaces and Accommodations on a square foot basis

- Five percent limitation on commercial space.

(7) - The proposed project is responsive to the Invitation.

(8) - Documentary evidence of site control is provided.

(9) - Determination by EMAS that, based on a preliminary analysis, there is reasonable assurance of a sufficient market for the number of units proposed.

2. The Sponsor did not submit within the specified time the requested documentation in response to a deficiency letter.

3. Was received after the national deadline date.

4. Requested more units than advertised for the allocation area.

5. Did not provide an IRS tax exemption ruling for the Sponsor.

6. Would result, upon completion of the subject proposal, in more than 200 units of specially designed housing for the elderly from any source in the immediate area, unless an exception is approved by the Field Office Manager.

7. Other.

COMMENTS: _________________________________________________________
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

If found to be ineligible, the Sponsor will be notified by letter that the application was found ineligible for further consideration and a copy of the letter will be forwarded to Headquarters, Attention: Direct Loan Branch, and to the Director, Office of Regional Housing.

Date of Letter: ___________________________

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APPENDIX 7 Page 4

Section 202 - Application for Fund Reservation
Preliminary Evaluation Review Checklist Format

Section A - Multifamily Housing Representative (MHR)

Sponsor Name: _________________________ Project No: _______

Threshold Criteria Review:
1. The proposed facilities and intended occupants are eligible under the Section 202 program. (Exhibits 1 and 2)

YES _______ NO _______ If no, the application must be rejected.

COMMENTS: _____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

2. The Sponsor has previous experience in developing and/or operating housing, medical or other facilities, such as, but not limited to, nursing homes or senior or community centers, and/or the provision of services to the elderly, the handicapped, families or minority groups, preferably, but not necessarily among those in the low- and moderate-income category. (Exhibits 9, 11, 13)

YES _______ NO _______ If no, the application must be rejected.

COMMENTS: _____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

RECOMMENDATION: Application is:

Acceptable  Not acceptable

(Explain): ____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

______________________________________      _____________________
(Signature of MHR)                                Date

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cover all or part of the minimum capital investment.)

Yes _____ No _____ If no, was a board resolution provided by another organization to furnish these funds?

Yes _____ No _____ If no, the application must be rejected.

If yes, name of organization: ______________________________________
Comments: _________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

2. The Sponsor will be able to meet the minimum capital investment requirement. Yes _____ No _____ If no, the application must be rejected.

3. The Sponsor can cover the start-up expenses. (NOTE: Section 106(b) funds, if requested, may be counted in determining the Sponsor's ability to cover start-up expenses, but not the minimum capital investment.)

Yes _____ No _____ If no, the application must be rejected.

4. Does the project have excessive design features? Yes ____ No ____
If yes, did the Sponsor make a commitment in the application to pay for these features and does it have the financial capacity to cover the cost?

Yes _____ No _____ If no, the application must be rejected.

This application is acceptable from Mortgage Credit's viewpoint.

Yes _____ No _____ If no, the application must be rejected.

(Explain): ________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

(Signature of Mortgage Credit Examiner) __________________________ Date 4/90
neighborhood standards requirements, including minority concentration considerations, and that it is not located in a floodway and/or a Coastal High Hazard Area. (Exhibits 17 and 18)

Yes _____  No _____

Comments: ___________________________________________________________________

This application is Acceptable

Acceptable, subject to Headquarters approval of waiver request.

Not acceptable

Explain: ___________________________________________________________________

____________________________________________________________________________

(Signature of Appraiser) __________________________ Date

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Section 202 - Application for Fund Reservation
Preliminary Evaluation Review Checklist Format

Section D - Architectural, Engineering and Cost Branch

Sponsor Name: _____________________________________________________________

Location: _________________________________________________________________

Project No: __________________________________________________________________

Type of Project: _____ New Construction _____ Substantial Rehabilitation

No. of Units: __________

Threshold Criteria Review:

1. The proposal meets standards limiting size of units and number of baths.

   Yes _____  No _____

   Comments: ___________________________________________________________________

____________________________________________________________________________

2. Does not contain two-bedroom units, other than managerial unit.

   Yes _____  No _____

3. Special Spaces and Accommodations are within 5 percent of the net
rentable area of project, excluding commercial space, if any.

Yes _____  No _____  Percentage of special spaces _______

Comments: _____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

NOTE: Dining space, if provided, shall be large enough to seat only 1/3 to 1/2 of the tenant body. In addition, central kitchen and dining facilities may only be approved if the sponsor demonstrates that the dining facility will break even and be in full use at the sustaining occupancy level.

4. Proposed amenities are included on the list of acceptable amenities for market area.

Yes _____  No _____

Amenities included:____________________________________________________
_______________________________________________________________________
_______________________________________________________________________

5. Commercial Space is within 5 percent of total project space.

Yes _____  No _____  Percentage of commercial space _______

Comments:________________________________________________________________
_______________________________________________________________________

6. Projects proposing exceptions to basic cost containment requirements (i.e., excessive amenities, unit size limits, and 5 percent limit on special spaces and accommodations.

The Sponsor provided a statement showing willingness and ability to pay for the overly-costly features.

Yes _____  No _____  If no, the application is to be rejected.

7. If Sponsor requested a waiver of the requirement for 10 percent of the units to be designed to meet UFAS or equivalent standard, the design provides at least 5 percent (at least one unit) for persons needing an accessible units (as defined by UFAS) and provisions will be made for an additional 2 percent (at least one) of the units to be accessible for persons with hearing and vision impairments.

Yes _____  No _____

Comments:________________________________________________________________
NOTE: For projects to be first occupied after March 13, 1991:

In addition, if an elevator building, all dwelling units must be designed to meet accessibility requirements of 24 CFR 100.205 or, if a nonelevator building, all ground floor dwelling units must be designed to meet the accessibility requirements of 24 CFR 100.205.

The subject application is      Acceptable       Not acceptable

Explain:___________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

_____________________________________________     __________________
(Signature of Architect)                          Date

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Section 202 - Application for Fund Reservation
Preliminary Evaluation Review Checklist Format

Section E - Field Office Counsel

Sponsor Name: _______________________________________________________
Location:____________________________________________________________
Project No:__________________________________________________________

Threshold Criteria Review (Exhibit 6)

1. The Sponsor is an eligible private, nonprofit entity, no part of the net earnings of which inures to the benefit of any private party and which is not controlled by or under the direction of persons seeking to derive profit or gain therefrom.

   Yes _____   NO _____

   Comments:___________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

2. The Sponsor is not a public body or an instrumentality of a public body.

   Yes _____   No _____

   Comments:___________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________
3. The Sponsor has the necessary legal authority to sponsor the project, to assist the Borrower and to apply for the loan.

Yes _____   No _____

Comments:_____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

4. The Sponsor has a current IRS exemption ruling or a blanket exemption with Sponsor specifically named in the list.

Yes _____   No _____

Comments:_____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

5. The Sponsor has submitted documentary evidence of site control, which does not contain restrictive covenants or reverter clauses unacceptable to HUD.

Yes _____    No _____

Comments:______________________________________________________________
_______________________________________________________________________

6. The Sponsor's board has adopted a resolution certifying that no officer or board member of the Sponsor, or of the Borrower when formed, has or will be permitted to have any financial interest in any contract or in any firm or corporation that has a contract with the Borrower in connection with the construction or operation of the project, procurement of the site or other matters whatsoever. (NOTE: this prohibition, as to the Sponsor's officers or board, does not apply to any management contract entered into by the Borrower with the Sponsor or its nonprofit affiliate.)

Yes _____    No _____

Comments:______________________________________________________________
_______________________________________________________________________

7. An incumbency certificate has been submitted for the Sponsor in typed form, listing all the duly qualified and sitting officers and directors, of the Sponsor, duly certified by an officer of the Sponsor.

Yes _____    No _____

Comments:______________________________________________________________
NOTE: If the answer to any item is checked "no," Counsel will check "not acceptable" below and the application will be rejected.

The subject application is: Acceptable

Not Acceptable

Explain:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

(Signature of Field Office Counsel)                       Date

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Section 202 - Application for Fund Reservation
Preliminary Evaluation Review Checklist Format

Section F - Economic Market Analysis Staff (EMAS)

Sponsor Name:__________________________________________________________
Location:______________________________________________________________
Project No.:___________________________________________________________

Threshold Criteria Review:

1. Based on a preliminary review, there is sufficient market for the number and type of units proposed and no known adverse market conditions in assisted housing for the elderly in the market area.

   Yes _____   No _____      If no, application is to be rejected.

   Comments:_____________________________________________________________________

2. Units designed for occupancy by persons needing an accessible unit.

   a. Ten percent of units have been designed for occupancy by persons needing an accessible unit, as defined by UFAS.

      Yes _____   No _____

      Comments:_____________________________________________________________________

   b. Sponsor has proposed less than 10% of units to be designed for persons needing an accessible unit. 1/

      Yes _____   No _____

      If yes, the proposal is: Acceptable, as submitted.
Not acceptable, since data not provided or did not support less than 10%. Approvable, if 10% of units are designed for handicapped.

The subject application is

Approvable

Not approvable

______________________________________________                       _________________
(Signature of Economist)                       Date

1/ But not less than the five percent (at least one unit) as required by Section 504 of the Rehabilitation Act of 1973. In addition, provision must be made for an additional two percent for persons with hearing or vision impairments in accordance with 25 CFR 8.22.

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Section 202 - Application for Fund Reservation Preliminary Evaluation Review Checklist Format

Section G - Fair Housing and Equal Opportunity (FHEO)

Sponsor Name: ___________________________________________________________
Location: _______________________________________________________________
Project No. _____________________________________________________________

Threshold Criteria Review:

1. Based on the application submission, even without the benefit of a site visit, the proposed site meets site and neighborhood standards.

   Yes _____   No _____   If no, without proper justification, application is to be rejected.

   Comments: ___________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

2. The proposed project will address a low participation rate and identified need for housing of elderly lower-income minority persons or families.

   Yes _____   No _____

   Comments: ___________________________________________________________
   ___________________________________________________________________

3. There is a pending civil rights complaint or an outstanding finding of non-compliance with civil rights statutes, executive orders or
regulations which has not been satisfied.

Yes ____  No ____

Comments:______________________________________________________________
_______________________________________________________________________
The subject application is:          Acceptable
                                      Not acceptable

Explain:___________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

(Signature of FHEO reviewer)                   Date

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FORMAT FOR INITIAL SCREENING/PRELIMINARY EVALUATION REJECTION LETTER

SEND TO:  Sponsor

HOW:  Must be sent by Certified Mail - Return Receipt Requested

WHEN:  By ___________________________________________________

Dear _______________ :

SUBJECT:  Rejection of Section 202 Application for Fund Reservation

Location: _______________ No. of Units: _______________.
Project No.: ____________________________.

The subject application has been reviewed by this office and found unacceptable for further processing because:

it was received after the submission deadline of _______________.

it is missing two or more complete exhibits, specifically ___________.

it exceeds the unit limit identified in the Invitation for Application.

there was not an adequate response to the deficiency letter dated __________ within the required 14-day period or it was received after the end of the 14-day period.

Other: ____________________________
___________________________________________________________________________

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APPENDIX 7-1
This application did not receive a complete review; therefore, it may have other deficiencies. My staff will be happy to discuss the strengths and weaknesses of your proposal with you early in Fiscal Year 19____ after October 1, 19____.

Thank you for your letter in the Section 202 Program.

Sincerely,

Manager

cc: Housing Consultant