

**SUBSIDY LAYERING REVIEW APPLICATION**

General Project Information

According to a Memorandum of Understanding (MOU) executed between MSHDA, HUD, and USDA RD on September 29, 2011, a Subsidy Layering Review (SLR) is required to be conducted whenever there is a combination of funding sources which require a SLR to be performed. Owners/Applicants are encouraged to check with MSHDA early in the development process to determine if their project contains sources that would require a SLR under this MOU to be performed. According to the MOU, a SLR must be conducted at two different times in the development process. The first SLR is required to be performed prior to a project's initial closing on construction debt financing, permanent debt financing, and/or investor equity and beginning construction ("Initial Review"), and the second SLR is required to be performed in conjunction with the final review of a project after construction has been completed and prior to the final closing ("Final Review").

According to the MOU, MSHDA is the Lead Agency for SLR Reviews. Therefore, the SLR Application as well as all correspondence relating to the SLR should be routed through \_\_\_\_\_, the SLR Primary Contact Person at MSHDA. Also according to the MOU, the projected timeline for the completion of the SLR (from the date that a complete SLR Application is received by MSHDA, as determined by MSHDA) is no more than 40 working days, and in many cases, the SLR should be completed in no more than 30 working days. Project owners should be aware of this timeline when working through the project underwriting process and moving to a closing, so they can plan accordingly and ensure that the SLR is completed without impeding the closing process.

To begin the SLR process, owners/applicants must complete the SLR Application below and submit it to the SLR Primary Contact Person at MSHDA.

**PROJECT LOCATION:**

Project Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ Township \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Will this project be located in the city/village limits?  Yes  No

**TYPE OF CONSTRUCTION (Check applicable category):**

- New construction
- Acquisition and rehabilitation

**OWNER INFORMATION (Limited Partnership/Limited Liability Company):**

1. Legal Name of Owner \_\_\_\_\_ Taxpayer ID \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Telephone # with Area Code \_\_\_\_\_ Fax # with Area Code \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

## SUBSIDY LAYERING REVIEW APPLICATION

### Exhibit Checklist

The following items must be submitted in their entirety as part of the SLR Application for the SLR process to commence.

<b>EXHIBIT CHECKLIST</b>		
<b>To be completed for all SLRs</b>		
√	#	
✓	1	<p><b>A narrative description of the project</b> which includes the type of project; location; type of financing; tenants served, bedroom mix; local, federal or state subsidies; and other relevant information. Also include a map of the project site and surrounding area. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	2	<p><b>Project Costs</b> – SLR Applications must contain the most up-to-date project costs. This can be evidenced through submission of the most up-to-date pro-forma prepared in conjunction with MSHDA's Direct Lending process and a fully updated Section VII (pages 17-20) of the Primary Application referencing Project Costs for the Low Income Housing Tax Credit process. In addition to the foregoing documents, for projects seeking a FHA Loan, this can be further evidenced by the most up-to-date project costs prepared in accordance with the FHA Loan process.</p>
	3	<p><b>Sources and Uses</b> - SLR Applications must contain the most up-to-date schedule of sources and uses. This can be evidenced through submission of the most up-to-date pro-forma prepared in conjunction with MSHDA's Direct Lending process and a fully updated Section VI (pages 14-16) and Section IX (page 23) of the Primary Application referencing the Development Financing and Sources and Uses Statement respectively for the Low Income Housing Tax Credit process. In addition to the foregoing documents, for projects seeking a FHA Loan, this can be further evidenced by the most up-to-date schedule of sources and uses prepared in accordance with the FHA Loan process.</p>
	4	<p><b>Rent Schedule</b> - SLR Applications must contain the most up-to-date rent schedule. This can be evidenced through submission of the most up-to-date pro-forma prepared in conjunction with MSHDA's Direct Lending process and a fully updated Section IV (pages 9-11) of the Primary Application referencing the Utility Allowance/Rent Information for the Low Income Housing Tax Credit process. In addition to the foregoing documents, for Section 515 properties or properties seeking a FHA Loan, this can be further evidenced through submission of a copy of the RHS approved post closing operating budget, RD Form 3560-8 and/or the most up-to-date rent schedule prepared in accordance with the FHA Loan process.</p>
	5	<p><b>Annual Project Expense Information</b> - SLR Applications must contain the most up-to-date annual project expense information. This can be evidenced through submission of the most up-to-date pro-forma prepared in conjunction with MSHDA's Direct Lending process and a fully updated Section VIII (page 22) of the Primary Application referencing the Annual Project Expense Information for the Low Income Housing Tax Credit process. For Section 515 properties, RHS may provide a copy of the most recent 3-year budget history from RHS's internal monitoring system, MFIS. In addition to the foregoing documents, for projects seeking a FHA Loan, this can be further evidenced by the most up-to-date annual project expense information prepared in accordance with the FHA Loan process.</p>

# EXHIBIT CHECKLIST

## To be completed for all SLRs

√	#	
	6	<p><b>Project Cash Flow Pro-Forma</b> - SLR Applications must contain the most up-to-date project cash flow pro-forma. This can be evidenced through submission of the most up-to-date pro-forma prepared in conjunction with MSHDA's Direct Lending process and a fully updated Section X (page 24) of the Primary Application referencing the Project Pro-Forma for the Low Income Housing Tax Credit process. In addition to the foregoing documents, for projects seeking a FHA Loan, this can be further evidenced by the most up-to-date project cash flow pro-forma prepared in accordance with the FHA Loan process.</p>
	7	<p><b>Construction Financing</b> – SLR Applications must contain the most up-to-date documentation evidencing the amount, interest rate, term of loan, and the terms of any loan guarantee (if applicable) of all sources of Construction Financing for the project. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	8	<p><b>Permanent Financing</b> – SLR Applications must contain the most up-to-date documentation evidencing the amount, interest rate, term of loan, and the terms of any loan guarantee (if applicable) of all sources of Permanent Financing for the project. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	9	<p><b>Syndication</b> – SLR Applications must contain the most up-to-date documentation evidencing the amount, price, and terms of the investment for the sale of LIHTC or any other credits that are proposed as a source of financing for the development. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	10	<p><b>Tax Credit Commitment Letter</b> – SLR Applications must contain the most up-to-date documentation evidencing the amount of credits being Reserved for the LIHTC project. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	11	<p><b>Historic/Brownfield Financing Commitments</b> - SLR Applications must contain the most up-to-date documentation evidencing the amount of Historic (Federal or State) and Brownfield financing being committed to the project. NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.</p>
	12	<p><b>Capital Needs Assessment</b> – SLR Applications must contain the most up-to-date Capital Needs Assessment (if applicable). NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced. To assist in the SLR Application process, RHS agrees to provide a copy of the CNA found to be acceptable by RHS along with any review comments.</p>

# EXHIBIT CHECKLIST

## To be completed for all SLRs

√	#	
	13	<b>Appraisal</b> – SLR Applications must contain the most up-to-date appraisal for the property (if applicable). NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced. To assist in the SLR Application process, RHS agrees to provide a copy of any appraisal report reviewed and accepted by RHS along with any review comments.
	14	<b>Housing Authority Approval of PBA Voucher Assistance for the Project.</b> NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.
	15	<b>Standard Disclosure and Perjury Statement, Identity of Interest Statement Form HUD-2880.</b> NOTE: If it is believed that these item(s) have already been submitted in the project underwriting process, in lieu of resubmitting the item(s), please reference the effective date of all letters and applicable documentation so it can be appropriately referenced.

**SUBSIDY LAYERING REVIEW APPLICATION**

**Owner/Applicant Certification**

I hereby certify as the proposed or current Owner/Applicant of the Affordable Housing Development listed below that the information contained in the Subsidy Layering Review Application is true and correct to the best of my knowledge and belief. Further, I agree to promptly notify the Primary Contact Person of the Lead Agency (MSHDA) of any changes to the project sources and uses that may have an impact on the SLR as soon as I am aware of these changes so they can be incorporated into the SLR.

\_\_\_\_\_  
Printed Name, Position Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**On behalf of:**

\_\_\_\_\_  
Print Managing Member/General Partner Name

**The Managing Member or General Partner of:**

\_\_\_\_\_  
Print Owner (LDHA) Name

\_\_\_\_\_  
Print Project Name