

## Section 232 / 241(a)

Firm Application Checklist

**Firm Application Checklist**  
Section 232/241(a)

**U.S. Department of Housing and  
Urban Development**  
Office of Healthcare Programs

OMB Approval No. 9999-9999  
(exp. mm/dd/yyyy)

**Public reporting burden** for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Project Name: _____
Project Number: _____

### **SUBMISSION REQUIREMENTS:**

- Send one electronic (CD, flash drive, etc.) copy of all the documents identified in the table below to the assigned OHP staff member identified by HUD in Email Blast for receipt of the Firm Application submission.
- OHP will email you with the instructions for sending hard copies.

No.	Item	N/A	Incl.
<b>Section 1: Underwriting</b>			
1-1.	A. Check <sup>1</sup> – FHA Application Fee (0.3% of Mortgage Amount)	<input type="checkbox"/>	<input type="checkbox"/>
	B. Check Transmittal Letter	<input type="checkbox"/>	<input type="checkbox"/>
	C. Completed Firm Application Checklist	<input type="checkbox"/>	<input type="checkbox"/>
	<del>C-D.</del> Certification for Electronic Submittal	<input type="checkbox"/>	<input type="checkbox"/>
1-2.	Lender's Underwriting Narrative <sup>2</sup> <b>(Submit electronic version as a pdf and as a word document)</b>	<input type="checkbox"/>	<input type="checkbox"/>
1-3.	HUD Underwriting Forms <b>(signed and dated by the Lender)</b>		
	A. As proposed HUD-92264-HCF, Health Care Summary Appraisal Report	<input type="checkbox"/>	<input type="checkbox"/>
	1. Operating Deficit Calculation	<input type="checkbox"/>	<input type="checkbox"/>
	2. Listing of Mortgagor's Other Fees	<input type="checkbox"/>	<input type="checkbox"/>
	3. Listing of Contractor's Other Fees	<input type="checkbox"/>	<input type="checkbox"/>
	B. HUD-92264-T, Rent Estimates for Low/Moderate Income Units (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
	C. HUD-92264-A, Supplement to Project Analysis – Maximum Combined Loans	<input type="checkbox"/>	<input type="checkbox"/>
	D. HUD-92264-A, Supplement to Project Analysis – Maximum Supplemental Loan	<input type="checkbox"/>	<input type="checkbox"/>
	• Criterion 11, ... Deduction of Grant(s), Loan(s) and Gift(s) (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
	• HUD-92438, Underwriting Summary Report (For Supplemental Loan)	<input type="checkbox"/>	<input type="checkbox"/>
1-4.	Firm Commitment (DRAFT) <b>(Submit electronic version as a Word document)</b> <b>(Note: "Exhibit A," "Exhibit B," etc. must be displayed at the top of each exhibit to the Firm Commitment)</b>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Special Conditions	<input type="checkbox"/>	<input type="checkbox"/>
	B. Exhibit A, Legal Description	<input type="checkbox"/>	<input type="checkbox"/>
	C. Exhibit B, Index to Drawings and Specifications	<input type="checkbox"/>	<input type="checkbox"/>
	D. Exhibit C, List of Major Movables	<input type="checkbox"/>	<input type="checkbox"/>
1-5.	HUD-92329, Property Insurance Schedule	<input type="checkbox"/>	<input type="checkbox"/>

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4-6.1-	<del>Property Insurance Requirements</del>		<input type="checkbox"/>		Formatted Table
	<del>A. HUD-92447, Property Insurance Requirements</del>		<input type="checkbox"/>		
	<del>Update and Additional Property Insurance Requirements (Appendix 2, H 2001-03)</del>		<input type="checkbox"/>		
4-7.1-	Lender's Consolidated Certification		<input type="checkbox"/>		
4-8.1-	Contact List		<input type="checkbox"/>		
1-8.	<u>Copies of any email guidance provided by HUD on this project before the submittal.</u>		<input type="checkbox"/>		
1-9.	Waiver Requests (use form HUD-2, Request for Waiver of Housing Directive)		<input type="checkbox"/>		Formatted Table
<b>Section 2: Third Party Reports<sup>3</sup></b>					
2-1.	Appraisal (As Is and As Proposed Values - see Appraisal SOW)		<input type="checkbox"/>		
2-2.	Market Study (if not provided at Pre-Application Stage) <sup>4</sup>	<input type="checkbox"/>	<input type="checkbox"/>		Formatted Table
2-3.	<del>Environmental</del> (if not provided at Pre-Application Stage or with Early Commencement Documents)		<input type="checkbox"/>		
	<u>Environmental</u>		<input type="checkbox"/>	<input type="checkbox"/>	
	A. Phase I Environmental Report (if applicable) <sup>5</sup>		<input type="checkbox"/>	<input type="checkbox"/>	
	B. Draft 4128 and additional reports, as applicable		<input type="checkbox"/>	<input type="checkbox"/>	
	C. Phase II Environmental Report (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
	D. Biological Assessment (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
	E. Operations & Maintenance Plan - Asbestos and LBP <sup>5/6</sup> (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
	F. Other: Specify (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
2-4.	Architectural Analyst Report		<input type="checkbox"/>	<input type="checkbox"/>	
	• Engineer & Specialty Reports (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
2-5.	Construction Cost Analyst Report (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>	
<b>Section 3: Principals</b>					
3-1.	Organizational Chart - Mortgagor		<input type="checkbox"/>		
3-2.	Mortgagor Organizational Documents <sup>7</sup>		<input type="checkbox"/>		Formatted Table
	<del>A. Corporate</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>1. Articles of Incorporation</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>2. Bylaws</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>3. Authorizing Resolutions</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>B. Partnership</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>1. Partnership Agreement</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>2. Certificate of Partnership</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>3. Authorizing Resolutions</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>C. Limited Liability Company</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>1. Articles of Organization</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>2. Operating Agreement</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<del>1. Authorizing Resolutions</del>		<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership		<input type="checkbox"/> LLC	
	A. Articles of Incorp.	A. Partnership		A. Articles of	
		Agreement		Organiz'n	
	B. Bylaws	B. Cert. of Partnership		B. Operating	
				Agreement	
	C. Authoriz'g	C. Authoriz'g		C. Authoriz'g	
	Resolution	Resolution		Resolution	
	<u>D. Certification of Good Standing</u>				
3-3.	Mortgagor's Consolidated Certification		<input type="checkbox"/>		
3-4.	Principal of Mortgagor's Organizational Documents <sup>7,8</sup>		<input type="checkbox"/>		
	<del>A. Corporate</del>		<input type="checkbox"/>	<input type="checkbox"/>	

- ~~1. Articles of Incorporation~~
- ~~2. Bylaws~~
- ~~3. Authorizing Resolutions~~
- B. Partnership
- 1. Partnership Agreement
- 2. Certificate of Partnership
- 3. Authorizing Resolutions
- C. Limited Liability Company
- 2. Articles of Organization
- 3. Operating Agreement
- 4. Authorizing Resolutions
- Corporation  Partnership  LLC
- A. Articles of Incorp. A. Partnership A. Articles of
- Agreem't Organiz'n
- B. Bylaws B. Cert. of Partnership B. Operating
- Agreement
- C. Authoriz'g C. Authoriz'g C. Authoriz'g
- Resolution Resolution Resolution

D. Certification of Good Standing

- 3-5. Operator's Organizational Documents<sup>79</sup>
- A. Corporate
  - 1. Articles of Incorporation
  - 2. Bylaws
  - 3. Authorizing Resolutions
  - B. Partnership
  - 1. Partnership Agreement
  - 2. Certificate of Partnership
  - 3. Authorizing Resolutions
  - C. Limited Liability Company
  - 1. Articles of Organization
  - 2. Operating Agreement
  - 3. Authorizing Resolutions
  - Corporation  Partnership  LLC
  - A. Articles of Incorp. A. Partnership A. Articles of
  - Agreem't Organiz'n
  - B. Bylaws B. Cert. of Partnership B. Operating
  - Agreement
  - C. Authoriz'g C. Authoriz'g C. Authoriz'g
  - Resolution Resolution Resolution

D. Certification of Good Standing

- 3-6. A. Operating Lease with HUD Addendum
- B. Memorandum of Lease
- C. Subordination, Non-Disturbance & Attornment Agreement (SNDA) (if applicable; for non-related owner and operator)
- D. Estoppel Certification

3-7. Management Agreement<sup>10</sup> (if applicable)

**Section 8: Contractor**

8-1. *This Item Intentionally Omitted*

8-2. *This Item Intentionally Omitted*

8-3. Résumé or AIA A305, Contractor's Qualification Statement

8-4. APPS Certification 2530/APPS:

A. Paper 2530:

1. Completed Paper HUD-2530 (with documentation for signature authority to sign for the entity & if applicable, with documentation for signature authority to sign for other principals with same participation)

2. Evidence of registration in HUD's Business Partners Registration System – required for all applicable participants. (<http://www.hud.gov/offices/hsg/mfl/apps/appsmfcm.cfm>)

**OR**

B. APPS Submittal: APPS Certification (with documentation for signature authority to sign for the entity & if applicable, with documentation for signature authority to sign for other principals with same participation)

8-5. Contractor's Consolidated Certification

8-6. Credit Report

A. Contractor

B. Sampling of Contractor's Other Business Concerns

8-7. Financial Statements – Year-to-Date<sup>11</sup>

A. Balance Sheet

1. Aging of Accounts Receivable

2. Aging of Notes Receivable

3. Schedule of Pledged Assets

4. Schedule of Marketable Securities

5. Schedule of Accounts Payable

6. Schedule of Notes and Mortgages Payable

7. Schedule of Legal Proceedings

8. Schedule of Work in Progress

B. Income and Expense Statement

C. Financial Statement Certification

8-8. Financial Statements – FY ~~2008~~20XX<sup>12</sup>

A. Balance Sheet

1. Aging of Accounts Receivable

2. Aging of Notes Receivable

3. Schedule of Pledged Assets

4. Schedule of Marketable Securities

5. Schedule of Accounts Payable

6. Schedule of Notes and Mortgages Payable

7. Schedule of Legal Proceedings

B. Income and Expense Statement

C. Financial Statement Certification

8-9. Financial Statements – FY ~~2007~~<sup>14</sup>20XX<sup>12</sup>

A. Balance Sheet

1. Aging of Accounts Receivable

2. Aging of Notes Receivable

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3.	Schedule of Pledged Assets	<input type="checkbox"/>	<input type="checkbox"/>
4.	Schedule of Marketable Securities	<input type="checkbox"/>	<input type="checkbox"/>
5.	Schedule of Accounts Payable	<input type="checkbox"/>	<input type="checkbox"/>
6.	Schedule of Notes and Mortgages Payable	<input type="checkbox"/>	<input type="checkbox"/>
7.	Schedule of Legal Proceedings	<input type="checkbox"/>	<input type="checkbox"/>
B.	Income and Expense Statement		<input type="checkbox"/>
C.	Financial Statement Certification		<input type="checkbox"/>
8-10.	Financial Statements – FY <del>2006</del> <sup>11</sup> <u>20XX</u> <sup>12</sup>	<input type="checkbox"/>	
A.	Balance Sheet		<input type="checkbox"/>
1.	Aging of Accounts Receivable	<input type="checkbox"/>	<input type="checkbox"/>
2.	Aging of Notes Receivable	<input type="checkbox"/>	<input type="checkbox"/>
3.	Schedule of Pledged Assets	<input type="checkbox"/>	<input type="checkbox"/>
4.	Schedule of Marketable Securities	<input type="checkbox"/>	<input type="checkbox"/>
5.	Schedule of Accounts Payable	<input type="checkbox"/>	<input type="checkbox"/>
6.	Schedule of Notes and Mortgages Payable	<input type="checkbox"/>	<input type="checkbox"/>
7.	Schedule of Legal Proceedings	<input type="checkbox"/>	<input type="checkbox"/>
B.	Income and Expense Statement		<input type="checkbox"/>
C.	Financial Statement Certification		<input type="checkbox"/>

**Section 9: Construction and Architectural Documents**

9-1.	Plans <sup>13</sup> (to include separate plans for Offsite Construction)	<input type="checkbox"/>	<input type="checkbox"/>
9-2.	A. Full Specifications <small>Error! Bookmark not defined.</small> B. Division I of the Specifications (which includes the wage decision and HUD-2554, Supplementary Conditions all in one document)	<input type="checkbox"/>	<input type="checkbox"/>
9-3.	State Licensing Approval of Plans <sup>14</sup>		<input type="checkbox"/>
9-4.	Soils Report and Foundation Analysis (required if footprint is being altered)	<input type="checkbox"/>	<input type="checkbox"/>
9-5.	HUD-2328, Contractor's and/or Mortgagor's Cost Breakdown		<input type="checkbox"/>
9-6.	Major Moveable Equipment Schedule and Budget A. Listing of New Equipment with cost B. Replacement Value of Existing Equipment	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
9-7.	Construction Progress Schedule per AIA A201 <sup>15</sup>		<input type="checkbox"/>
9-8.	Early Commencement Documents (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
9-9.	Assurance Of Completion <sup>16</sup> • Commitment Letter from Surety or • Commitment Letter from Bank for Letter of Credit	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
9-10.	Owner-Architect Agreement on AIA Form B181 and Amendments A. Design and Supervisory Architect B. Design Architect only C. Supervisory Architect only D. Other (s)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9-11.	Information regarding offsite storage of approved building materials, if applicable <sup>17</sup>	<input type="checkbox"/>	<input type="checkbox"/>
9-12.	Design Architect Certification	<input type="checkbox"/>	<input type="checkbox"/>

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**Section 10: Real Estate**

10-1.	A. Verification of balances. Provide a certification from the mortgagor and current lender verifying that the following balances are true and correct: • Principal balance of the existing insured mortgages and other debts of the mortgagor • All existing escrow accounts, including replacement reserves		<input type="checkbox"/> <input type="checkbox"/>
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	B. Monthly deposits: Provide evidence of the current monthly escrow deposits, including replacement reserves, taxes, and insurance.	<input type="checkbox"/>	<input type="checkbox"/>
	C. Purchase (in connection with adding additional land/buildings):	<input type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> <li>• Purchase contract and amendments, OR</li> <li>• Option Agreement</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-2.</b>	Licenses		
	A. Certificate of Need (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
	B. Copy of Existing Facility License	<input type="checkbox"/>	<input type="checkbox"/>
	C. Copy of Application for Facility License if number of beds will increase <sup>18</sup>	<input type="checkbox"/>	<input type="checkbox"/>
	D. Operator (Lessee) or Management Agent (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-3.</b>	Title		
	A. Preliminary Title Report		<input type="checkbox"/>
	B. Pro Forma – 2006 ALTA Title Insurance Policy		<input type="checkbox"/>
	1. ALTA Form Environmental Endorsement		<input type="checkbox"/>
	2. ALTA Form Comprehensive Endorsement		<input type="checkbox"/>
	3. ALTA Form Endorsement deleting Arbitration Clause		<input type="checkbox"/>
	4. ALTA Location of Improvements Endorsement		<input type="checkbox"/>
	5. Access and Entry (ALTA 17-06)		<input type="checkbox"/>
	6. Arbitration Clause deleted		<input type="checkbox"/>
	7. Zoning (ALTA 3.0-06 or equivalent)	<input type="checkbox"/>	<input type="checkbox"/>
	8. Encroachments	<input type="checkbox"/>	<input type="checkbox"/>
	9. Tax Parcel (ALTA 18-06 or equivalent)	<input type="checkbox"/>	<input type="checkbox"/>
	10. Other:		<input type="checkbox"/>
	C. Exception Documents		<input type="checkbox"/>
<b>10-4.</b>	ALTA/ACSM Land Title Survey <i>(Completed according to <a href="#">Learn-Survey Instructions &amp; Owner's Certification</a>)</i>		<input type="checkbox"/>
<b>10-5.</b>	Evidence of compliance		
	A. Zoning (see sample letter posted to FHA.GOV)		<input type="checkbox"/>
	B. Building Codes (see sample letter posted to FHA.GOV)		<input type="checkbox"/>
	C. Verification of Zoning and Code Variances (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-6.</b>	Municipal Inspection Reports		
	A. Fire Marshall	<input type="checkbox"/>	<input type="checkbox"/>
	B. State Health Department (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
	C. Verification that health standards are met for private sewer or water systems	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-7.</b>	Relocation plan during construction (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-8.</b>	Commercial space leases (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-9.</b>	Land Lease (Ground Lease) including HUD requirements/provisions outlined in FHA Form 2070 (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>10-10.</b>	Real Estate Tax Abatement/Exemption (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
	A. Evidence of abatement or exemption		<input type="checkbox"/>
	B. Form FHA-1708, Agreement for Payment of Real Property Taxes		<input type="checkbox"/>
<b>10-11.</b>	Floodplain <sup>19</sup> <i>-(if not provided at Pre-Application Stage)</i>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Evidence of participation in an early warning system		<input type="checkbox"/>
	B. Emergency evacuation and relocation plan		<input type="checkbox"/>
	C. Identification of evacuation route(s) out of the 500-year floodplain		<input type="checkbox"/>
	D. Identification marks of past or estimated flood levels on all structures		<input type="checkbox"/>
	E. Evidence that current or prospective tenants have been or will be informed of the flood hazard.		<input type="checkbox"/>

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10-12.	State Historic Preservation Office letter/requirements-(if not provided at Pre-Application Stage)	<input type="checkbox"/>	<input type="checkbox"/>
10-13.	Easements and Maintenance Agreements	<input type="checkbox"/>	<input type="checkbox"/>
	A. Existing	<input type="checkbox"/>	<input type="checkbox"/>
	B. Proposed	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 11: Operations</b>			
11-1.	As Proposed Budgets: (each including census mix and occupancy assumptions)		
	A. Stabilized Operating budget (12-months)		<input type="checkbox"/>
	B. Initial Lease-Up budget (monthly , initial occupancy to stabilized occupancy)	<input type="checkbox"/>	<input type="checkbox"/>
11-2.	Stabilized staffing schedule (including job titles, salaries, and full time equivalents)		<input type="checkbox"/>
11-3.	Financial Statements for Operation <sup>20</sup> – Year-to-Date <sup>10</sup> Date <sup>11</sup>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Balance Sheet		<input type="checkbox"/>
	1. Aging of Accounts Receivable	<input type="checkbox"/>	<input type="checkbox"/>
	2. Aging of Notes Receivable	<input type="checkbox"/>	<input type="checkbox"/>
	3. Schedule of Pledged Assets	<input type="checkbox"/>	<input type="checkbox"/>
	4. Schedule of Marketable Securities	<input type="checkbox"/>	<input type="checkbox"/>
	5. Schedule of Accounts Payable	<input type="checkbox"/>	<input type="checkbox"/>
	6. Schedule of Notes and Mortgages Payable	<input type="checkbox"/>	<input type="checkbox"/>
	7. Schedule of Legal Proceedings	<input type="checkbox"/>	<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
11-4.	Financial Statements for <del>Operation</del> Operation <sup>20/21</sup> – FY 2008 <sup>11</sup> 20XX <sup>12/21</sup>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Balance Sheet		<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
11-5.	Financial Statements for Operation <sup>20</sup> – FY 2007 <sup>11</sup> 20XX <sup>12</sup>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Balance Sheet		<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
11-6.	Financial Statements for Operation <sup>20</sup> – FY 2006 <sup>11</sup> 20XX <sup>12</sup>	<input type="checkbox"/>	<input type="checkbox"/>
	A. Balance Sheet		<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
11-7.	Census history, by month and payment source		
	A. Year-to-date		<input type="checkbox"/>
	B. FY 2008 20XX (fill in the year)		<input type="checkbox"/>
	C. FY 2007 20XX (fill in the year)		<input type="checkbox"/>
	D. FY 2006 20XX (fill in the year)		<input type="checkbox"/>
11-8.	Reimbursement		
	A. Resource Utilization Group (RUG) census data for last 12-months, including HUD certification and warning. (SN Only) <b>Note: Certification &amp; Warning must be signed and dated by the borrower/operator. (SN Only)</b>	<input type="checkbox"/>	<input type="checkbox"/>
	B. Evidence of Medicaid Rate (if applicable)		<input type="checkbox"/>
11-9.	Rent rolls <sup>22</sup> , last 3 months, including HUD certification and warning. <b>Note: Certification &amp; Warning must be dated by the borrower/operator. (ALF/B&amp;C Only)</b>	<input type="checkbox"/>	<input type="checkbox"/>
11-10.	State licensing inspection reports for last 3-years/last 3 inspections		<input type="checkbox"/>
11-11.	Facility Administrator		
	A. Resume		<input type="checkbox"/>
	B. License (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>

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11-12. <i>This Item Intentionally Omitted</i>		
11-13. HUD-935.2A, Affirmative Fair Housing Marketing Plan (not applicable if not adding units)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 12: Professional Liability Insurance (PLI)<sup>23</sup></b>		
<b>12-1</b> <u>Schedule of Facilities Covered by PLI Policy</u> . Information on the PLI provider:		
A. Copy of each insurance carrier's license – showing the name of insurance carrier	<input type="checkbox"/>	<input type="checkbox"/>
B. Evidence of insurance company(s) rating ( <i>Print-out from AM Best Rating or other</i> )	<input type="checkbox"/>	<input type="checkbox"/>
<b>12-2</b> <u>Loss history</u> . Limits of coverage and list of facilities (including bed counts) included under this coverage.	<input type="checkbox"/>	<input type="checkbox"/>
<b>12-3</b> <u>Potential claims certification</u> . State licensing surveys shall be transmitted as part of the application for the last three years of all individual facilities of the operator if the operator has less than five facilities to determine the quality of care provided by the operator. If the operator has five or more facilities, complete copies of state licensing surveys for all facilities with serious unresolved deficiencies (deficiencies where there is actual harm to residents commonly referred to as "G" or higher level deficiencies) shall be transmitted if this deficiency has not been removed within a one month period. If any facility has recent (within the last 2 years) resolved "G" or higher citations/deficiencies, submit the inspection report. Please provide a narrative discussion regarding the topic, the risk and how it will be mitigated.	<input type="checkbox"/>	<input type="checkbox"/>
<b>12-4</b> <u>Evidence of PLI coverage for statute of limitations period</u> . The operator or its parent operator must submit a six-year loss history of professional liability claims filed against it for all facilities controlled by the operator or parent operator. The six-year loss history should be provided in annual summary form (prepared by the insurance company or third-party administrator) and should:	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• <u>Provide a current inventory of all paid or settled claims;</u></li> <li>• <u>Break out the expected cost of claims in a year by year summary. In separate line items, list the amount of the actual and/or anticipated awards, claims expenses, and any funds reserved for estimated claims;</u></li> <li>• <u>List total actual or estimated claims costs for compensatory damages, medical expenses, punitive damages and legal expenses incurred processing the claim;</u></li> <li>• <u>Identify potential or expected professional liability claims in excess of \$10,000 that have been or may be filed for all periods within the statute of limitations for the State where the claim occurred;</u></li> <li>• <u>Include a brief discussion or chart that provides the timeframe for the statutes of limitations for filing claims of negligence, injuries, wrongful death, and/or improper care based-the law in the states where the parent operator's facilities are located.</u></li> <li>• <u>Include a certification from the parent operator (operator – if no parent) as to the accuracy of this documentation. The certification must be signed, and dated by a senior officer of the parent operator (operator – if no parent), and include the following statement:</u></li> </ul>		
<p style="margin-left: 40px;"><i>"HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)"</i></p>		
<b>12-5</b> Evidence of current PLI cost	<input type="checkbox"/>	<input type="checkbox"/>
<b>12-4.</b> Evidence of Insurer's Rating	<input type="checkbox"/>	<input type="checkbox"/>

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**12-6** Actuarial study, most recent<sup>2425</sup> (if applicable)

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*Note: This information is considered proprietary and is exempt from Freedom of Information Act requests.*

Section 13: Additional Funding Sources			
<b>13-1.</b>	Grants and/or Loan	<input type="checkbox"/>	<input type="checkbox"/>
	• Commitment letter (specifying amount, intended use, conditions)		<input type="checkbox"/>
<b>13-2.</b>	Bond Financing	<input type="checkbox"/>	<input type="checkbox"/>
	• Itemized costs of issuance, discounts and financing fees to be paid out of pocket by mortgagor and explanation regarding the necessity of each cost.		<input type="checkbox"/>
	Tax Credits	<input type="checkbox"/>	<input type="checkbox"/>
	A. Letter of commitment from tax credit syndicator or investor (specifying equity amount and pay-in schedule)		<input type="checkbox"/>
	B. Acknowledgment/Release (Addendum 9 of HUD Notice H 95-4)		<input type="checkbox"/>
	C. Reservation, executed copy		<input type="checkbox"/>
	D. Source and Use Statement (Addendum 4 of HUD Notice H 95-4)		<input type="checkbox"/>
	E. HUD-2880, Applicant/Recipient Disclosure/Update Report		<input type="checkbox"/>
	<del>F.</del> Bridge Loan agreements	<input type="checkbox"/>	<input type="checkbox"/>
	<del>G-F.</del> Subsidy layering review (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>14</b>	Other-	<input type="checkbox"/>	<input type="checkbox"/>

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## Supplemental Checklists

Check all those that apply:

<input type="checkbox"/>	Principal of the Mortgagor	<i>Ownership change; principal not previously approved by HUD.</i>
<input type="checkbox"/>	Operator	<i>Operator change, not previously approved by HUD.</i>
<input type="checkbox"/>	Parent of the Operator	<i>Operator change, not previously approved by HUD.</i>
<input type="checkbox"/>	Management Agent	<i>Management Agent change, not previously approved by HUD.</i>
<input type="checkbox"/>	Accounts Receivable Financing	<i>Project's Accounts Receivables are financed.</i>

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## End Notes

- 1 - Please have check include reference to project name, location, mortgagee number, and purpose – FHA application fee.
- 2 - Lender shall not make any alterations to the narrative format. If a particular section does not apply within the narrative, it should specifically be noted as NOT APPLICABLE.
- 3 - The Market Study and Appraisal must be submitted within 120 calendar days of the date of inspection. The Phase I environmental report must be submitted within 180 calendar days of the date of inspection.
- 4 - Market Study not required if there are no changes to the number of beds or units and if there are no changes to the current payor mix
- 5 A Phase I Environmental Assessment is only required when land is being acquired in conjunction with the proposed transaction. If the facility was built prior to 1978 and does not have an asbestos survey and/or Operations & Maintenance plan, then one must be provided. If asbestos is present, an O & M plan is required.
- 6 - Asbestos and Lead Based Paint (LBP) reports may be required if a site requires demolition prior to sub-rehab work or construction. LBP is included in this report for the protection of the individuals performing the demolition.
- 7 - Organizational Documents must be updated to conform to current HUD requirements.
- ~~8 - Only required for organizations in the Mortgagor entity's signature block. 8 - Organizational Documents must be updated to conform to current HUD requirements.~~
- ~~9 - Organizational Documents must be updated to conform to current HUD requirements.~~
- 10 - See Footnote 1 of Supplemental Checklist D for Management Agents for applicability.
- 11 - Year to Date Statements: No more than 3 months can have expired since the closing date of the latest unaudited statement. No more than 6 months can have passed since the statements were audited by a CPA/IPA.
- 12 - Fill in the year for the financial statements being provided. Business entities must submit financial statements and supporting documents for the lesser of the last 3 years or the length of existence. Audited statements are preferred but owner-prepared statements will be accepted. All financial statements, audited and owner-prepared, will need to be certified by the entity with signature authority for that statement.
- 13 - Plans provided with the Firm Application must be complete and reflect the facility is ready to be built. Hard copies of the plans are not required; however, a PDF, electronic version must be provided. ~~Specifications provided with the Firm Application shall include Division I (when using the MasterFormat 1995) or Division 00.73.00 (when using the MasterFormat 2010), of the specifications (which includes the Davis-Bacon Wage Decision, wage decision and form HUD-2554, Supplementary Conditions of the Contract for Construction. Hard copies of the specifications are not required; however,) must be provided in a PDF, electronic version must be provided with the application.~~ Note that the Lender's Architectural Reviewer is still required to review the complete specifications.
- 14 - Provide documentation from the State licensing authority demonstrating that any required plan reviews have been completed. If the State is unwilling to prepare a letter, provide copies of review comments or a certification from the mortgagor's design architect that the appropriate reviews have been requested from the State.
- 15 - Form AIA A201 is the General Conditions and includes guidance within the document for a construction progress schedule. That guidance should be used to create the schedule.
- 16 - Provide evidence of the General Contractor's ability to obtain sufficient bonding or letters of credit. Sufficient assurance is as follows:
  - a) For non-elevator or three story or less elevator buildings where the cost of construction or rehabilitation is more than \$500,000, the assurance shall be in the form of corporate surety bonds for payment and performance, each in the amount of 100% of HUD's estimate of construction or rehabilitation cost including an imposed builder's profit. As an option, HUD would accept a completion assurance agreement secured by a cash deposit or Letter of Credit in the amount of 15% of the HUD estimate of construction or rehabilitation cost.

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- b) For elevator buildings of 4 stories or more, the assurance shall be in the form of corporate surety bonds for payment and performance, each in the amount of 100% of HUD's estimate of construction or rehabilitation cost including an imposed builder's profit. As an option, HUD would accept a completion assurance agreement secured by a cash deposit or Letter of Credit in the amount of 25% of HUD's estimate of construction or rehabilitation cost. The mortgagee may provide more stringent requirements.
- 17 - Refer to HUD Inspector and A&E Scopes of Work for guidance on building materials that can be stored offsite and for items required for approval of offsite storage of building materials.
- 18 - If the regulatory entity that issues the license(s) does not allow application for license(s) at the time of Firm Application submission, in lieu of exhibit 10-2 B., HUD will accept a letter from the entity applying for the license(s), which covers the following: an explanation of the application process (with documented verification from licensing entity), identification of the entity that is anticipated to hold the license(s), and the number of beds that will be covered by the license(s).
- 19 - Floodplain information is only required if the property is located in a 100- or 500-year floodplain.
- 20 - Operating Financial Statements provided here should pertain only to the operation of the subject facility. If this facility is the only facility owned and operated by the Mortgagor or operated by the Lessee, these statements may be the same as the Mortgagor's or Operator/Lessee's financial statements.
- 21 - In circumstances beyond the mortgagor's control where the required financial statements are not available, the mortgagor must submit: (a) Evideneea satisfactory explanation as to the Lender that why the financial statements are not obtainable; and (b) The project financial statements that are available including an owner certified balance sheet and operating statement. The Lender's case file must contain a statement from the mortgagor that explains why all the required records are not obtainable and a memorandum from the Lender to the Hub or Program Center Director stating that he/she has evaluated the mortgagor's statement and agrees that the information is not available. In these situations, a HUD 2 Waiver form is required – include a draft in Exhibit 1-09 of the Firm Application package.
- 22 - Rent roll data will include room number, room type (studio, one bedroom, etc.), occupancy status (occupied/unoccupied), and rental rate.
- 23 - Professional liability insurance documentation requirements only apply to the insured party providing the coverage and exclude additional named insured parties.
- ~~24 - Actuarial study only required if the Insured participates in more than 50 healthcare facilities.~~
- 25 - Actuarial study required if the entity utilizes self-insurance. If the entity utilizes commercial (3<sup>rd</sup> party) PLI, submit an actuarial study only if one has been previously completed.



Supplemental Checklist B: Operator (Lessee)		
<i>This supplemental checklist is applicable when a change in Operator has occurred or is proposed and the Operator has not been previously approved by HUD for the subject property. Follow Section 223(f) guidelines for further guidance.</i>		
B-1.	Organizational Chart	<input type="checkbox"/>
B-2.	<i>Intentionally omitted</i>	
B-3.	<del>A. Résumé</del> B-A. <del>Schedule</del> Resume/Evidence that individual or entity is qualifiedSchedule of Facilities Owned, Operated or Managed	<input type="checkbox"/> <input type="checkbox"/>
B-4.	<del>APPS Certification</del> 2530/APPS: A. Paper 2530: 1. Completed Paper HUD-2530 (with documentation for signature authority to sign for the entity & if applicable, with documentation for signature authority to sign for other principals with same participation) 2. Evidence of registration in HUD's Business Partners Registration System – required for all applicable participants. ( <a href="http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm">http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm</a> ) <b>OR</b> B. APPS Submittal: APPS Certification (with documentation for signature authority to sign for the entity & if applicable, with documentation for signature authority to sign for other principals with same participation)	<input type="checkbox"/>
B-5.	Operator's Consolidated Certification	<input type="checkbox"/>
B-6.	Credit Report A. Operator (Lessee) B. Sampling of Operator's Other Business Concerns C. Senior officers of the operator B-D. Any stockholder with a 25 percent or more interest in the operator	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
B-7.	Financial Statements – Year-to-Date <sup>2</sup> A. Balance Sheet 1. Aging of Accounts Receivable 2. Aging of Notes Receivable 3. Schedule of Pledged Assets 4. Schedule of Marketable Securities 5. Schedule of Accounts Payable 6. Schedule of Notes and Mortgages Payable 7. Schedule of Legal Proceedings B. Income and Expense Statement C. Financial Statement Certification <sup>3</sup>	<input type="checkbox"/> <input type="checkbox"/>
B-8.	Financial Statements – FY <del>2008</del> 20XX <sup>4</sup> A. Balance Sheet 1. Aging of Accounts Receivable 2. Aging of Notes Receivable 3. Schedule of Pledged Assets 4. Schedule of Marketable Securities 5. Schedule of Accounts Payable 6. Schedule of Notes and Mortgages Payable 7. Schedule of Legal Proceedings B. Income and Expense Statement C. Financial Statement Certification <sup>2</sup>	<input type="checkbox"/> <input type="checkbox"/>







Supplemental Checklist D: Management Agent <sup>1</sup>		
<i>This supplemental checklist is applicable when a change in Management Agent has occurred or is proposed and the Management Agent has not been previously approved by HUD for the subject property. Follow Section 223(f) guidelines for further guidance.</i>		
D-1.	Organizational Chart (if applicable – per footnote to this entire section)	<input type="checkbox"/> <input type="checkbox"/>
D-2.	Organizational Documents (if applicable – per footnote to this entire section)	<input type="checkbox"/> <input type="checkbox"/>
	<del>A. Corporate</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>1. Articles of Incorporation</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>2. Bylaws</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>3. Authorizing Resolutions</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>B. Partnership</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>1. Partnership Agreement</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>2. Certificate of Partnership</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>3. Authorizing Resolutions</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>C. Limited Liability Company</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>1. Articles of Organization</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>2. Operating Agreement</del>	<input type="checkbox"/> <input type="checkbox"/>
	Authorizing Resolutions <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
	<input type="checkbox"/> Corporation	<input type="checkbox"/> <input type="checkbox"/>
	A. Articles of Incorp. A. Partnership Agree'm't A. Articles of Organiz'n	<input type="checkbox"/> <input type="checkbox"/>
	B. Bylaws B. Cert. of Partnership B. Operating Agreement	<input type="checkbox"/> <input type="checkbox"/>
	C. Authoriz'g Resolution C. Authoriz'g Resolution C. Authoriz'g Resolution	<input type="checkbox"/> <input type="checkbox"/>
D-3.	<b>HUD Management Forms</b>	<input type="checkbox"/> <input type="checkbox"/>
	<del>A. HUD 9832, Management Entity Profile</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>B. Certifications</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>1. HUD 9839 A, Project Owner's Certification for Owner-Managed ... Projects</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>2. HUD 9839 B, Project Owner's/Management Agent's Certification for ... Identity of Interest or Independent Management Agents</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>HUD 9839 C, Project Owner's/Borrower's Certification for Elderly Housing Projects Managed by Administrators Form (HUD-9839) (if applicable – per footnote to this entire section)</del>	<input type="checkbox"/> <input type="checkbox"/>
D-4.	<del>Intentionally omitted</del> Management Agreement	<input type="checkbox"/> <input type="checkbox"/>
D-5.	<del>A. Résumé</del>	<input type="checkbox"/> <input type="checkbox"/>
	<del>A. Resume/Evidence that individual or entity is qualified</del>	<input type="checkbox"/> <input type="checkbox"/>

1 - See Matrix below to determine which items in this Section need to be provided with the application:

Scenario #	Description of Participant Roles	Note	Checklist Items to complete
1	Mortgagor is Owner/Operator. One entity		<del>D-3, Nothing from D</del>
2	Mortgagor has a Management Agent		All of D
3	Mortgagor owns building and land, and leases to Operator who holds the license. There is no Management Agent.		Nothing from D
4	<del>Mortgagor owns building and land, and leases to Operator who holds the license. Management Agent provides services to Operator but doesn't control the license or contract for patient services and is not party to Provider Agreements.</del>		<del>Nothing from D</del>
4a4	Mortgagor owns building and land, and leases to Operator. There is also a Management Agent who controls the license, contracts for patient services and/or is party to Provider Agreements.	<del>Both Operator and Management Agent experience is necessary.</del>	<del>All of Section D D-4; D-5; D-6; D-7; D-8</del>

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	<del>A-B.</del> Schedule of Facilities Owned, Operated or Managed		
<b>D-6.</b>	<p><del>APPS Certification</del>2530/APPS:</p> <p><u>A. Paper 2530:</u></p> <p>1. <u>Completed Paper HUD-2530 (with documentation for signature authority to sign for the entity &amp; if applicable, with documentation for signature authority to sign for other principals with same participation)</u></p> <p>2. <u>Evidence of registration in HUD’s Business Partners Registration System – required for all applicable participants.</u>  <u>(<a href="http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm">http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm</a>)</u></p> <p><b>OR</b></p> <p><u>B. APPS Submittal: APPS Certification (with documentation for signature authority to sign for the entity &amp; if applicable, with documentation for signature authority to sign for other principals with same participation)</u></p>		<input type="checkbox"/>
<b>D-7.</b>	Management Agent’s Consolidated Certification <sup>1</sup>		<input type="checkbox"/>
<b>D-8.</b>	Credit Report		<input type="checkbox"/>

30 - Year-to-date statements: No more than 3 months can have expired since the closing date of the latest unaudited statement. No more than 6 months can have passed since the statements were audited by a CPA/IPA.  
 31 - Audited financial statements are preferred but owner-prepared statements will be accepted. All financial statements, audited and owner-prepared, will need to be certified by the entity with signature authority for that financial statement.  
 32 - Business entities must submit this exhibit for the lesser of the last 3 years or the length of existence.

<sup>1</sup> - This consolidated certification is in addition to the form HUD-9839.

Supplemental Checklist E: Accounts Receivable Financing			
<i>This supplemental checklist is applicable when the project's accounts receivable are financed. Follow Section 223(f) guidelines for further guidance.</i>			
E-1.	Revolving Loan Note	<input type="checkbox"/>	<input type="checkbox"/>
E-2.	AR Loan Agreement and All Amendments	<input type="checkbox"/>	<input type="checkbox"/>
E-3.	Lessee Security Agreement with FHA Lender	<input type="checkbox"/>	<input type="checkbox"/>
E-4.	UCC-1 Filings and UCC Searches (all)	<input type="checkbox"/>	<input type="checkbox"/>
E-5.	Guarantees (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
E-6.	Cash Flow Chart	<input type="checkbox"/>	<input type="checkbox"/>
<del>E-6-E</del>	Intercreditor Agreement (ICA) between A/R Lender and FHA Lender	<input type="checkbox"/>	<input type="checkbox"/>
<del>E-7-E</del>	HUD Rider to Intercreditor Agreement	<input type="checkbox"/>	<input type="checkbox"/>
E-8.	Deposit Control Agreement	<input type="checkbox"/>	<input type="checkbox"/>
E-9.	AR Lender Lock-box Agreement or equivalent control agreement	<input type="checkbox"/>	<input type="checkbox"/>
E-10.	Accounts Receivable Financing Certifications Draft Mortgagor Attorney's Opinion	<input type="checkbox"/>	<input type="checkbox"/>
E-11.	Draft Operator/Lessee Regulatory Security Agreement with AR Lender and Amendments	<input type="checkbox"/>	<input type="checkbox"/>
E-12.	Rider including all required A/R Conditions	<input type="checkbox"/>	<input type="checkbox"/>
E-13.	Accounts Receivable Financing Certifications	<input type="checkbox"/>	<input type="checkbox"/>