

## Section 232 Sub-Rehab

### Initial Application Submission Checklist

**Firm Application Checklist**  
**Section 232 – Substantial**  
**Rehabilitation – Two Stage**  
**Initial Submission**

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) B. Check Transmittal Letter C. Completed <del>Initial Firm</del> Application Checklist <del>C.D.</del> Certification for Electronic Submittal Document		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
1-2.	Lender's Underwriting Narrative <del>for Initial Submission</del> <sup>2,3</sup> <u>(Submit electronic version as a pdf and as a word document)</u>		<input type="checkbox"/>
1-3.	HUD Underwriting Forms <u>(signed and dated by the Lender)</u> A. HUD-92264-HCF, Health Care Summary Appraisal Report 1. Operating Deficit Calculation 2. Listing of Mortgagor's Other Fees 3. Listing of Contractor's Other Fees B. HUD-92264-T, Rent Estimates for Low/Moderate Income Units (if applicable) C. HUD-92264-A, Supplement to Project Analysis <del>D.C. Criterion 11, ... Deduction of Grant(s), Loan(s) and Gift(s) (if applicable)</del>	<input type="checkbox"/>       <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
1-4.	<del>Conditional Firm</del> Commitment (DRAFT) <sup>4, 5</sup> <u>(Submit electronic version as a Word document)</u> <u>(Note: "Exhibit A," "Exhibit B," etc. must be displayed at the top of each exhibit to</u>		<input type="checkbox"/>

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No.	Item	N/A	Incl.
	<u><del>the Firm Commitment</del></u> A. Special Conditions, if Applicable B. Exhibit A, Legal Description <b>C. Intentionally Omitted</b> <b>D. Intentionally Omitted</b> <del>B-E. Intentionally Omitted</del>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
1-5.	HUD-92447, Property Insurance Requirement		<input type="checkbox"/>
1-5.1	Lender's Consolidated Certification		<input type="checkbox"/>
1-6.1	Contact List		<input type="checkbox"/>
1-8.	Copies of any email guidance provided by HUD on this project before the submittal.		<input type="checkbox"/>
1-9.	Waiver Requests (use form HUD-2, Request for Waiver of Housing Directive)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 2: Third Party Reports<sup>6</sup></b>			
2-1.	Appraisal		<input type="checkbox"/>
2-2.	Market Study <sup>7</sup>	<input type="checkbox"/>	<input type="checkbox"/>
2-3.	Environmental A. Phase I Environmental Report <sup>8</sup> B. Draft 4128 and additional reports as applicable C. Phase II Environmental Report (if applicable) D. Biological Assessment (if applicable) E. Operations & Maintenance Plan – Asbestos -and LBP <sup>9</sup> (if applicable) F. Other- Specify- (if applicable)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2-4.	<b>Intentionally Omitted</b>		
2-5.	<b>Intentionally Omitted</b>		
2-6.	Project Capital Needs Assessment (PCNA) (also provide any required specialty reports) <sup>10</sup>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 3: Mortgagor</b>			
3-1.	Organizational Chart		<input type="checkbox"/>
3-2.	<u>Organizational Documents</u> <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC A. Articles of Incorp.      A. Partnership Agreement      A. Articles of Organiz'n B. Bylaws      B. Cert. of Partnership Agreement      B. Operating Agreement C. Authoriz'g Resolution      C. Authoriz'g Resolution      C. Authoriz'g Resolution		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3-2.3	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/appsmfhtm.cfm">http://www.hud.gov/offices/hsg/mfh/apps/appsmfhtm.cfm</a> ) <b>OR</b>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

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No.	Item	N/A	Incl.
	<p><u>System – required for all applicable participants.</u>                      (<a href="http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm">http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm</a>)</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"/>	<input type="checkbox"/>
5-5.	Operator’s Consolidated Certification		<input type="checkbox"/>
5-6.	Credit Report		<input type="checkbox"/>
	A. Operator (Lessee)		<input type="checkbox"/>
	B. Sampling of Operator’s Other Business Concerns	<input type="checkbox"/>	<input type="checkbox"/>
	C. Senior officers of the operator	<input type="checkbox"/>	<input type="checkbox"/>
	D. Any stockholder with a 25 percent or more interest in the operator	<input type="checkbox"/>	<input type="checkbox"/>
5-7.	Financial Statements – Year-to-Date <sup>4</sup> Date <sup>5</sup>		
	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"/>
5-8.	Financial Statements – FY 2009 <sup>11</sup> 20XX <sup>19</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"/>
5-9.	Financial Statements – FY 2008 <sup>11</sup> 20XX <sup>10</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"/>
5-10.	Financial Statements – FY 2007 <sup>11</sup> 20XX <sup>10</sup>	<input type="checkbox"/>	
	A. Balance Sheet		<input type="checkbox"/>
	1. Aging of Accounts Receivable	<input type="checkbox"/>	<input type="checkbox"/>

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No.	Item	N/A	Incl.
	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"/>
5-11.	A. Operating Lease with HUD Addendum	<input type="checkbox"/>	<input type="checkbox"/>
	B. Memorandum of Lease	<input type="checkbox"/>	<input type="checkbox"/>
	C. Subordination, Non-Disturbance & Attornment Agreement (SNDA) (if applicable for non-related owner and operator)	<input type="checkbox"/>	<input type="checkbox"/>
	D. Estoppel Certification	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 6: Parent of Operator (if Applicable)</b>			
<input type="checkbox"/>			
6-1.	Organizational Chart		<input type="checkbox"/>
6-2.	Organizational Documents		<input type="checkbox"/>
	<del>A. Corporate</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>1. Articles of Incorporation</del>		<input type="checkbox"/>
	<del>2. Bylaws</del>		<input type="checkbox"/>
	<del>3. Authorizing Resolutions</del>		<input type="checkbox"/>
	<del>B. Partnership</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>1. Partnership Agreement</del>		<input type="checkbox"/>
	<del>2. Certificate of Partnership</del>		<input type="checkbox"/>
	<del>3. Authorizing Resolutions</del>		<input type="checkbox"/>
	<del>C. Limited Liability Company</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>1. Articles of Organization</del>		<input type="checkbox"/>
	<del>2. Operating Agreement</del>		<input type="checkbox"/>
	<del>Authorizing Resolutions</del> <input type="checkbox"/> Partnership <input type="checkbox"/> LLC		<input type="checkbox"/>
	<input type="checkbox"/> Corporation		<input type="checkbox"/>
	A. Articles of Incorp.	A. Partnership	A. Articles of
	B. Bylaws	B. Cert. of	B. Operating
	C. Authoriz'g	C. Authoriz'g	C. Authoriz'g
	Resolution	Resolution	Resolution
6-3.	<del>A. Resume</del>		<input type="checkbox"/>
	<del>A. Resume/Evidence that individual or entity is qualified</del>		<input type="checkbox"/>
	B. Schedule of Facilities Owned, Operated or Managed		<input type="checkbox"/>
6-4.	<del>This Item Intentionally Omitted</del> 2530's/APPS Not Applicable to Parent of Operator	<input checked="" type="checkbox"/>	
6-5.	Parent of Operator's Consolidated Certification		<input type="checkbox"/>
6-6.	Credit Report		<input type="checkbox"/>
	A. Parent of Operator		<input type="checkbox"/>
	B. Sampling of Parent of Operator's Other Business Concerns	<input type="checkbox"/>	<input type="checkbox"/>
6-7.	Financial Statements – Year-to-Date <sup>10</sup> Date <sup>5</sup>		

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No.	Item	N/A	Incl.
	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"/>
6-8.	Financial Statements – FY <del>2009</del> <sup>10</sup> <u>20XX</u>	<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"/>
	<del>3. Schedule of Pledged Assets</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>4. Schedule of Marketable Securities</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>5. Schedule of Accounts Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>6. Schedule of Notes and Mortgages Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>7. Schedule of Legal Proceedings</del>	<input type="checkbox"/>	<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
6-9.	Financial Statements – FY <del>2008</del> <sup>10</sup> <u>20XX</u>	<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"/>
	<del>3. Schedule of Pledged Assets</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>4. Schedule of Marketable Securities</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>5. Schedule of Accounts Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>6. Schedule of Notes and Mortgages Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>7. Schedule of Legal Proceedings</del>	<input type="checkbox"/>	<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
6-10.	Financial Statements – FY <del>2007</del> <sup>10</sup> <u>20XX</u>	<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"/>
	<del>3. Schedule of Pledged Assets</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>4. Schedule of Marketable Securities</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>5. Schedule of Accounts Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>6. Schedule of Notes and Mortgages Payable</del>	<input type="checkbox"/>	<input type="checkbox"/>
	<del>7. Schedule of Legal Proceedings</del>	<input type="checkbox"/>	<input type="checkbox"/>
	B. Income and Expense Statement		<input type="checkbox"/>
	C. Financial Statement Certification		<input type="checkbox"/>
<b>Section 7: Management Agent<sup>20</sup> (if Applicable)</b>			
	<input type="checkbox"/>		
7-1.	Organizational Chart (if applicable – per footnote to this entire section)	<input type="checkbox"/>	<input type="checkbox"/>
7-2.	Organizational Documents		

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No.	Item	N/A	Incl.
	<del>K. Draft Operator/Lessee Regulatory Agreement</del>		<input type="checkbox"/>
	<del>L. Rider including all required A/R Conditions</del>		
	<del>B. Accounts Receivable Financing Certifications</del>		
9-13	HUD-935.2A, Affirmative Fair Housing Marketing Plan		<input type="checkbox"/>
<b>Section 10: Professional Liability Insurance (PLI)<sup>34</sup></b>			
10-1	Schedule of Facilities Covered by PLI Policy:		<input type="checkbox"/>
10-2	State licensing inspection reports, most recent, for all facilities identified on insured's Schedule of Facilities Owned, Operated or Managed.		<input type="checkbox"/>
10-3	Loss history	<input type="checkbox"/>	<input type="checkbox"/>
10-4	Potential claims certification	<input type="checkbox"/>	<input type="checkbox"/>
10-59-14	Evidence of PLI coverage for statute of limitations period <b>Example of Resident Care and/or Rental Agreement(s) for the facility (if existing)</b>	<input type="checkbox"/>	<input type="checkbox"/>
10-6	Evidence of current PLI cost		<input type="checkbox"/>
10-7	Evidence of Insurer's Rating		<input type="checkbox"/>
10-89-15	Actuarial study, most recent <sup>32</sup> (if applicable) <b>Provider Agreement(s) for the facility (if existing)</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section 10: Professional Liability Insurance (PLI)</b>			
<b>Intentionally Omitted</b>			
<b>Section 11: Additional Funding Sources</b>			
11-1	Grants and/or Loan Commitment letter (specifying amount, intended use, conditions) <b>Intentionally Omitted</b>	<input type="checkbox"/>	<input type="checkbox"/>
11-2	Bond Financing Itemized costs of issuance, discounts and financing fees to be paid out of pocket by mortgagor and explanation regarding the necessity of each cost. <b>Section 12: Accounts Receivable Financing Documents</b>	<input type="checkbox"/>	<input type="checkbox"/>
11-3	Tax Credits A. Letter of commitment from tax credit syndicator or investor (specifying equity amount and pay in schedule) B. Acknowledgment/Release (Addendum 9 of HUD Notice H-95-4) C. Reservation, executed copy D. Source and Use Statement (Addendum 4 of HUD Notice H-95-4) E. HUD 2880, Applicant/Recipient Disclosure/Update Report F. Bridge Loan agreements Subsidy layering review (if applicable) <b>Intentionally Omitted</b>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Section 12: Contractor</b>			
<b>Intentionally Omitted</b>			
<b>Section 14: Construction and Architectural Documents</b>			
14-1	Plans - Preliminary <sup>33</sup>		<input type="checkbox"/>
14-2	<b>Intentionally Omitted</b>		
14-3	<b>Intentionally Omitted</b>		
14-4	<b>Intentionally Omitted</b>		
14-5	<b>Intentionally Omitted</b>		
14-6	<b>Intentionally Omitted</b>		

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14-7	<u>Intentionally Omitted</u>		
14-8	<u>Intentionally Omitted</u>		
14-9	<u>Intentionally Omitted</u>		
14-10	<u>Intentionally Omitted</u>		
14-11	<u>Intentionally Omitted</u>		
15	<u>Other-_____</u>	<input type="checkbox"/>	<input type="checkbox"/>

- 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 - 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.~~
- ~~4 - Microsoft Word version of DRAFT Firm Commitment is to be provided electronically.~~
- ~~5 - Microsoft Word version of Draft Firm Commitment is to be provided electronically~~
- 6 - The Appraisal and Market Study and Appraisal reports must be submitted within 120 calendar days of the date of the inspection. The Phase I environmental/Environmental report must be submitted within 180 calendar days of the date of the date of inspection.
- ~~7 - 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~~
- ~~\*If the project is currently HUD Insured and no land is being added to the site, a Phase I Environmental Assessment is not required. However, if the facility was built prior to 1978 and does not have an asbestos survey and/or Operations & Maintenance plan, then said survey must be provided. If asbestos is present, an O & M plan is required.~~
- ~~9 - 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.~~
- ~~10 - In the case of a "refinance with an addition" that qualifies for substantial rehabilitation, a full PCNA is required and the PCNA section of the Lender Narrative for Section 232/223(f) should be incorporated into this narrative.~~
- ~~11 - Nonprofit Mortgagor documentation only required when the nonprofit loan constraints are used.~~
- 12 - 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. 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 financial statement.
- ~~13 - 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.~~
- 14 - This section of the checklist needs to be completed separately for each principal. The Lender should add a new section and label it with the name of each principal.
- 15 - If a principal is a business entity (i.e. corporation, partnership) with an operating history, a credit report will be required only on the business firm, not the owners of the firm.
- 16 For New Construction, Substantial Rehabilitation, and Blended Rate projects the firm commitment application must include the last three full years and year-to-date financial statements for the party who will be responsible for providing the financial requirements for closing and beyond. The Lender Narrative must also include a discussion on the available working capital of this party and their ability to support the project over the long term. In cases where a group of individuals come together on one project to meet the cash requirement a full year HUD-92417 on each will be satisfactory.
- ~~17 - Previous Participation for principals of the Operator and the Management Agent may also be required.~~
- ~~18 - Previous Participation for principals of the Operator and the Management Agent may also be required.~~
- 19 - 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-

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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.

20 - 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		Sections 7-3 and 7-4 (note: 1.a. of HUD 9839A requires a management agreement). Nothing from Section 7.
2	Mortgagor has a Management Agent (no lease)		All of Section 7
3	Mortgagor owns building and land, and leases to Operator who holds the license. There is no Management Agent.		Nothing from Section 7
4a3	Mortgagor owns building and land, and leases to Operator who holds the license. There is no Management Agent provides services to Operator but doesn't control the license or contract for patient services and is not party to Provider Agreements.		Nothing from Section 7
4b4	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.	Both Operator and Management Agent experience is necessary.	All of Section 7 Exhibits 7-4; 7-5; 7-6; 7-7; 7-8

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21 - This consolidated certification is in addition to the form HUD-9839.

22 - Intergovernmental Review is only required in States that participate in Single Point of Contact Process (SPOC). The website [http://www.whitehouse.gov/omb/grants\\_spoec/](http://www.whitehouse.gov/omb/grants_spoec/) currently lists these states. The submittal to the SPOC must include a completed form SF 424. The SPOC has 30 days from receipt to reply. If they do not reply to you within that timeline, you can assume that the Intergovernmental Review is complete.

23 - 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).

24 - 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).

25 - 25 - Floodplain information is only required if the property is located in a 100- or 500-year floodplain. The 8-step process is not required for HUD's approval of a project site when only an incidental portion of the site is situated in an adjacent floodplain when: (i) The proposed construction and landscaping activities (except for minor grubbing, clearing of debris, pruning, sodding, seeding, etc.) do not occupy or modify the 100-year floodplain or the 500-year floodplain; (ii) appropriate provision is made for site drainage; and (iii) a covenant or comparable restriction is placed on the property's continued use to preserve the floodplain.

26 - 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.

27 - In circumstances beyond the mortgagor's control where the required financial statements are not available, the mortgagor must submit: (a) Evidence satisfactory to the Lender that 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. 27 - Operating Financial Statements provided here should pertain

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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.  
28 - In circumstances beyond the mortgagor's control where the required financial statements are not available, the mortgagor must submit: (a) a satisfactory explanation as to 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. In these situations, a HUD 2 Waiver form is required – include a draft in Exhibit 1-09 of the Firm Application package.  
29 – Rent roll data will include room number, room type (studio, one bedroom, etc.), occupancy status (occupied/unoccupied), and rental rate.  
30 - Rent roll data will include room number, room type (studio, one bedroom, etc.), occupancy status (occupied/unoccupied), and rental rate.  
31 – Professional liability insurance documentation requirements only apply to the insured party providing the coverage and exclude additional named insured parties.  
32 – Actuarial study only required if the Insured participates in more than 50 healthcare facilities.  
33 Plans provided with the Initial Submission can be preliminary sketch drawings. At a minimum, the preliminary drawings must include (a) a site plan; (b) typical floor plan; (c) typical unit plan; and (4) typical elevations (d) Location Map with property clearly defined and adjacent land uses identified. The drawing must include dimensions. Please note that changes in unit area and unit count between the initial and final submission may affect HUD's conclusion regarding the appraisal and market study.