

## 420B – MANAGEMENT AGENT APPLICATION INSTRUCTIONS

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### Applicant Identification

- 1a. **Firm Name**: Enter the applicant company name.
  
- 1b. **Tax ID Number**: Enter the firm’s federal employer identification number or sole proprietor’s social security number.
  
- 1c. **DUNS Number**: Enter the firm’s unique nine digit Dun and Bradstreet physical location number.
  
- 1d. **Firm’s Headquarter**: List the location of the firm’s headquarters and a contact name for the application process.
  
- 1e. **Other Office**: List the firm’s primary business locations in Michigan and the contact person at that location. If the headquarters’ address is the only Michigan location, identify same as above. Add additional sheets, if necessary

## Company Structure

- 2a. **Current Owners of the Company:** Include the type of ownership (General Partner, Limited Partner, or Sole Proprietor), name and signature for each owner.
- 2b. **Ownership Being Contested:** Certify whether the company and its members have no outstanding issues related to their credentials or the company as an entity.
- 2c. **Current Officers of Company:** Identify the current officers of the company (President, Vice President, Secretary, and Treasurer) including their name and signature.
- 2d. **Date of Firm's Creation:** Enter the month and year that the firm was established. Attach the last two year's financial statements, if the firm existed over the past two years.
- 2e. **Type of Firm:** Identify the type of company the proposed management agent operates:
- **Corporation:** A legal entity that operates independently from the owners or persons who created the business.
  - **Non-profit Corporation:** A legal entity that does not distribute its surplus cash to its owners or shareholders and instead uses the funds to pursue its goals.
  - **Partnership:** A contractual relationship between two or more persons carrying on a joint business venture with a view to profit, each incurring liability for losses and the right to share in profits.
  - **Limited Liability Company:** A business in which the liabilities of the owners are limited in their personal liability for debt, but owners still receive the benefits of pass through taxation.
  - **Proprietary:** A business that is started by an individual and is considered a single entity for tax and liability purposes.

## Verification of Firm

The following items must be submitted for the *applicable* type of firm: in addition to the last two years financial statements, if available:

- **Corporation:** Certified copy of Articles of Incorporation (with any amendments) and current Bylaws (with any amendments). If the corporation is doing business under an assumed name, a copy of the "Certificate of Persons Conducting Business under Assumed Name" must be submitted. Formation documents that are on file with the state.
- **Non-profit Corporation:** Provide the same items listed under Corporation for verification.
- **Partnership:** Copies of Partnership Agreement (with any amendments) and Articles of Co-/Limited Partnership (with and amendments). Copy of formation documents filed with the state,
- **Sole Proprietor:** Copy of "Certificate of Persons Conducting Business Under an Assumed Name". Filed copy of DBA or Assumed Name. Formation documentation on file with the state,
- **Limited Partnership:** Formation documents on file with the state. Copy of Partnership Agreements (with any amendments and Articles of Co-/Limited Partnership (with any amendments),

- **Limited Liability Company:** Certified copy of LLC, Operating Agreement (with any amendments), and Copy of formation documents filed with the state, Articles of Organization.

2f. **Type of Agent:** Identify the management agent firm’s relationship to the development ownership:

- **Owner/Agent:** Owner owns development and Management Company.
- **Independent Fee Agent:** Management Company has no ownership interest in development to be managed.
- **Identity of Interest Agent:** Related to the owner. Management company owner(s) have a blood, financial interest, or shared company members in the development to be managed.

2g. **Current Total Number of Employees:** Enter the number of employees the management company employs.

2h. **Current Total Number of Units Managed:** Enter the number of units managed in total.

2i. **Certify Corporation is in Good Standing with the State of Michigan:** Indicate whether the corporation is approved by the State of Michigan and has no outstanding issues related to its corporate documents.

## Identity of Interest Companies

3a. **Business with Identity of Interest Companies:** Identify if the proposed management company does business with Identity of Interest Companies.

3b. **Vendor Name and Description of Goods/Services:** If 3a was answered “Yes,” list all vendors, which have a relationship to the applicant company through blood, financial interest, or shared company members. Also provide a brief description of the goods/services that each company provides to the firm.

## Affiliations

Provide a list of the applicant’s professional affiliations. The applicant and officers of the applicant should be actively involved in any affiliations listed. Do not include any past affiliations.

## Real Estate Activities

5a. **Firm or Staff a Licensed Michigan Real Estate Broker:** Indicate whether the firm or any staff members are licensed Michigan Real Estate Brokers. A broker’s license is required to oversee the leasing of rental units in Michigan.

- Michigan law defines a Real Estate Broker as someone who leases or manages the property of others with the expectation of receiving compensation. Consequently, anyone engaging in the business is deemed a “broker” under Michigan Law and is covered by the licensing law.
  - Link to law definitions - [http://www.legislature.mi.gov/\(S\(z43hu445vt2uvmzy01tqvh45\)\)/mileg.aspx?page=getObject&objectName=mcl-339-2501](http://www.legislature.mi.gov/(S(z43hu445vt2uvmzy01tqvh45))/mileg.aspx?page=getObject&objectName=mcl-339-2501)
- 5b. **Name and License Number:** If 5a was answered “Yes,” please list each staff members name and Michigan Real Estate Brokers license number.
- 5c. **Lease Signatures:** Indicate whether all employees that sign leases have a Michigan Real Estate Salesperson’s or Broker’s License.
- A Real Estate Salesperson is anyone who is employed by a Real Estate Broker to engage in those activities.
- 5d. **Revoked or Suspended Licenses:** Indicate whether any member of the firm has had their Michigan Real Estate Salesperson’s or Broker’s License revoked or suspended.
- 5e. **Name and Explanation of Revoked or Suspended Licenses:** If 5d was answered “Yes,” please list each individuals name and an explanation for the revocation/suspension.
- 5f. **Other Real Estate Activities:** Identify if the firm engages in other real estate activities.
- 5g. **Explanation of Activities:** If 5f was answered “Yes,” please explain what type of other real estate activities the firm performs.

## Firm’s Owners Management Experience

If an applicant is proposed to manage a MSHDA financed or affordable housing development, one of the company owners **MUST** have at least five (5) years property manager experience managing 100 units or more of affordable housing units as documented by a resume and the Management Agent Application. Include the name of owners, percent of ownership, and number of years and units managed for both their resident manager experience and property manager experience. Resumes should clearly identify any previous experience with MSHDA or ARRA-financed developments. If the company is a *non-profit corporation*, provide the company officers’ experience managing affordable rental housing developments.

## Property Manager’s Experience

List the experience for all the property managers’ employed by the company who could potentially work on the MSHDA funded developments. Include the number of years and units managed as a resident manager and a property manager.

## Affordable Housing Experience

List up to 4 developments the firm managed that had affordable housing and were located in Michigan. If the applicant has no experience in Michigan, list the 4 most prominent developments in the applicant's portfolio.

8a.-8d. **Development List:** Each development listed should include the:

- Type of experience (subsidized/conventional),
- Name of principal and/or firm,
- Development name,
- Development address,
- Number of units in the development,
- Development telephone number,
- Project number/housing type/project type, if applicable,
- Government agency involved in the project, if applicable,
- Dates the firm managed the development,
- Number of subsidized units (units with rental assistance).
- Please attach additional information if necessary.

8e. **Number of Affordable Housing Developments:** Please provide the total number of affordable housing developments the firm has managed in the last ten years.

8f. **Number of Conventional Developments:** Please provide the total number of conventional developments the firm has managed in the last ten years.

8g. **Government Agencies:** Please indicate which government agencies were involved with the affordable housing developments the firm managed over the last ten years. Attach a HUD 9832 form signed by an authorized officer of HUD. Application approval will be delayed until MSHDA receives a signed copy of the form.

8h. **Unresolved Findings:** Indicate whether there have been any unresolved findings raised as a result of HUD audits, management reviews or other governmental investigations concerning the principals of the firm. Attach a HUD 2530 form signed by an authorized officer of HUD. Application approval will be delayed until MSHDA receives a signed copy of the form.

8i. **Explanation of Findings:** If 8h was answered "Yes," please explain the unresolved finding(s).

8j. **Suspension or Termination:** Indicate whether there has been any suspension or termination of payments under any HUD assistance contract in which suspension or termination was attributable to the negligence of one of the firm's principals.

8k. **Legal Concern:** Indicate whether any of the principals of the firm have been or are currently charged with a felony or are the subject of a complaint or indictment charging a felony or misdemeanor.

- 8l. **Defaults:** Indicate whether any of the principals of the firm have defaulted on an obligation covered by a surety or performance bond or been involved in an employee dishonesty/crime policy claim.
- 8m. **Comments:** Provide further explanation to any of the answers provided in 8i through 8l.

### Supportive Housing Experience

- 9a. **Supportive Services:** Identify whether the development that the applicant is committed to manage provides supportive services.
- 9b. **Memorandum of Understanding:** Identify whether the development is willing to establish and sign a Memorandum of Understanding (MOU) with the local/regional service providers.
- 9c. **Supportive Housing Objectives:** Identify whether the firm or any of the principals have experience managing housing units with supportive services within the past ten years.
- 9d. **Targeted Populations:** Provide a description of the population(s) targeted for the Supportive Housing Units managed.
- 9e. **Services and Accessible Features:** Provide a list/explanation of supportive services and accessible features that were offered to the targeted population.
- 9f. **Lead Agencies:** Identify the local lead agency the firm worked with to identify prospective renters for Supportive Housing Units and assist with services.

### Marketing

- 10a. **Initial Marketing:** Indicate whether the firm has performed the initial/start-up marketing and leasing for developments.
- 10b. **Names and Addresses:** If 10a was answered “Yes,” list the names and addresses of the developments where the firm performed the initial/start-up marketing and leasing. Also identify how long each development took to achieve 95% occupancy and the number of units involved in the lease up.

### History of Financial or Technical Defaults

- 11a. **Defaults:** Identify whether any of the developments the firm manages/ managed have experienced any financial or technical defaults, including foreclosure, mortgage workouts or bankruptcy restructuring.

- 11b. **Explanation of Defaults:** If 10a was answered “Yes,” explain the default(s) making sure to indicate when and how the firm became involved and at what point during management of the development the default occurred.
- 11c. **Default Cured or Addressed:** If 10a was answered “Yes,” identify how the default(s) was/were cured or addressed.

### Employee Dishonesty/Crime Coverage

- 12a. **Insurance Policy:** Indicate whether the firm has an employee dishonesty/crime insurance policy.
- 12b. **Insurance Company:** If 12a was answered “Yes,” provide both the name and address of the insurance company that holds the policy. Submit either a copy of your fidelity bond coverage or a statement from your insurance agent indicating your ability to obtain this coverage.
- 12c. **Ability to get Coverage:** If 12a was answered “No,” indicate whether the firm can get an employee dishonesty/crime coverage policy.
- 12d. **Explanation of Lack of Coverage:** If 12a was answered “No,” explain why the firm does not have an employee dishonesty/crime coverage policy.

### Financial Reporting Experience

- 13a. **Financial Reporting:** Indicate whether the firm has provided financial reports to a financial oversight institution or a tax syndicator.
- 13b. **Frequency with Financial Reporting:** If 14a was answered “Yes,” how often was the financial reporting provided (monthly, quarterly, annually, or not applicable).
- 13c. **Experience with Financial Reporting:** If 14a was answered “Yes,” provide how many years and months the company provided the financial reporting (years, months).
- 13d. **Number of Employees:** Provide the total number of staff members at the firm that work on the financial reporting.
- 13e. **Explanation of Financial Reporting:** Provide any additional comments or examples regarding the financial reporting the company has performed in the past.

### Computer Capabilities

- 14a. Identify whether the company has a computer system capable of performing the reporting requirements of the Authority and HUD.

- 14b. Identify whether the company has an internal control structure that promotes the safeguarding of assets (including the segregation of duties), check the accuracy and reliability of accounting data, promotes operational efficiency, and encourages adherence to prescribed policies and regulatory requirements.
- 14c. Identify each of the items that the company's accounting system currently performs.
- 14d. Provide any additional comments or clarification regarding the company's accounting and internal control systems.

## Attachments

- 15a. **Written Commitment** – **If this requirement is not met, your application will not be processed.** Submit a written commitment from the development owner that states the Agent can manage a new or existing MSHDA or ARRA-assisted development identifying the MSHDA Number, **Development Name** and address, and the current Management Agent (if applicable).

If your application to become a Management Agent is approved, the development owner will need to contact Kathy Pung of the Asset Management division to request a Management Agent Change Package. Kathy's office telephone is (517) 335-4411.

- 15b. **Certificate of Authority to Conduct Affairs in Michigan: In state Applicants** should submit a certification of good standing with the State of Michigan. **If you are an out of state Applicant**, submit a Certification of authority to transact business in Michigan" approved by the Licensing and Regulatory Affairs. Certificates are available at the following web site:  
[http://www.michigan.gov/lara/0,1607,7-154-35299\\_35413\\_37081-139996--,00.html](http://www.michigan.gov/lara/0,1607,7-154-35299_35413_37081-139996--,00.html)
- 15c. **Organizational Chart:** Submit a copy of your entity's Organizational Chart with your application.
- 15d. **Financial Statements:** Submit a copy of the entity's last two years of financial statements.
- 15e. **Type of Firm Verification** – Submit the proper documentation for the firm type being verified as identified in Section 2e of these instructions.
- 15f. **Real Estate Brokers License:** Submit a copy of all the applicant's licensed member's Real Estate Broker licenses to the Authority.
- 15g. **Resumes:** Submit the resumes emphasizing property management experience for each owner and the chief operating officer must be submitted to the Authority. Resumes should also include the number of units and developments that have been managed and the length of time each was managed with a focus on properties located in Michigan. Highlight any experience with MSHDA or ARRA-financed developments.

- 15h. **References:** Provide references for developments listed in under section 8 a-d “Affordable Housing Experience Over the Last 10 Years” that are not owner managed by the applicant.
- 15i. **Management Entity Profile, HUD Form 9832:** Submit the HUD form 9832. This can be found at the following link: <http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>.
- 15j. **Previous Participation Certification, HUD Form 2530:** Submit the HUD form 2530, if applicable. If the applicant has previous experience managing a HUD/Federally Assisted development, HUD clearance must be received, signed, and submitted with the Authority application documents. The HUD certification form is at the following link: <http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>. If you have questions regarding the completion of the HUD form, contact Mark Dominick of HUD at [mark.r.dominick@hud.gov](mailto:mark.r.dominick@hud.gov). HUD will issue a clearance letter or notification as a response to the HUD form 2530 submission. HUD’s response to your form must be included in the Authority application if you previously managed a HUD development.
- 15k. **Fidelity Bond Coverage Insurance Policy:** Submit a copy of the fidelity bond coverage insurance policy or a statement from an insurance agent stating fidelity bond coverage is available.
- 15l. **Financial Reporting Examples:** Provide an example of the financial reporting that was submitted to the oversight institution or tax syndicator.
- 15m. **Pension Plan Certification:** If applicable, include the Pension Plan Certification form (MSHDA Mgmt. 421A) signed and dated by an authorized officer of the Management Company.
- 15n. **Prepare with Your Company Letterhead:** Submit a statement signed and dated by the CEO/President of the applicant entity certifying the following items:
- i. **Management Agreement Requirements (Policies and Procedures):** Explain how the requirements in the management agreement will be satisfied. Agreement can be found on-line at: [http://www.michigan.gov/mshda/0,4641,7-141-8002\\_47708-177124--,00.html](http://www.michigan.gov/mshda/0,4641,7-141-8002_47708-177124--,00.html), scroll down to the links for the form(s). Focus on the four areas listed below:
    1. Marketing requirements.
    2. Financial reporting (monthly income and expense, budget submissions, and audit submissions) requirements.
    3. Adherence to leasing requirements.
    4. Maintenance and safety concerns.
  - ii. **Accessibility to a Decision Making Person:** An authorized officer of the applicant must always be available for decision-making purposes and must be accessible to the Authority in case of an emergency that would require immediate response.
  - iii. **Michigan Based Office:** Applicants must certify, in writing, that a Michigan office

will be maintained for the purpose of conducting business. If the Michigan office will be on-site at the development, appropriate compensation must be provided to the development. Off-site offices for Management Agent activities help maintain the separation of Agent expenses from acceptable development operating expenses.

- iv. **Accessibility to Financial Records:** The applicant must agree that all records, invoices and accounts will be available at the development site, the company's Michigan office or a location which is acceptable to an authorized officer of the Authority within 24 hours of a written or verbal notice from the Authority.
  - v. **Operating & Security Deposit Accounts:** The applicant must agree to maintain the development's operating and security deposit accounts in a Michigan financial institution insured by the federal government.
  - vi. **Michigan Security Deposit Act & Truth in Renting Act:** The applicant must agree to adhere to the requirements of the Michigan Security Deposit Act and the Truth in Renting Act.
  - vii. **Miscellaneous:** The applicant must agree to adhere to all laws, guidelines and rules governing the operation of rental housing in the State of Michigan.
- 15o. **Additional Comments:** Provide any additional comments or explanations regarding the attachments.

### **Absence of Litigation Certification**

Applicant signs to certify that the firm is not currently involved in any litigation. If the applicant is involved in litigation, you must submit a letter of explanation with the following information included: Nature of the Complaint, Date of Complaint, and Status of Lawsuit.

### **Application Certification**

Applicant must sign to certify the information submitted on and with the application is true and complete. Include the certifiers e-mail address in case there are follow-up questions regarding the application information.

### **Completion of the Application**

Carefully review and complete each section of the electronic application. A signed hard copy of the application needs to be submitted as a cover sheet to the document package. An electronic copy of the application must be e-mailed to the Management Agent Application Examiner in order to upload the information into our database.

### Financial Review

The Authority will order a credit report on the proposed applicant. If there are numerous delinquent accounts or accounts that have gone to collection, the applicant must provide an explanation which is acceptable to the Director of Asset Management. A credit history for the entity is critical for approval status.

### Submission of the Application

Include all the applicable items listed above. Provide an index of all the items included in the application with tabs for easy identification and to help validate all the items in the application are included. If items are missing from an application, the submission will be returned to the applicant. If you have questions or need assistance with the application process, contact the Application Examiner via e-mail.

Submit the completed application with all attachments and signatures to the address below and e-mail the electronic copy of the excel application to [cardenM1@michigan.gov](mailto:cardenM1@michigan.gov).

Maureen Carden  
Management Agent Application Examiner  
Asset Management Division  
P.O. Box 30044  
Lansing, MI 48909

Phone: (517) 335-6971  
e-mail: [cardenM1@michigan.gov](mailto:cardenM1@michigan.gov)

### Mandatory MSHDA Management Agent Training

Upon application approval, applicant will have 60 days to schedule **mandatory** Management Agent training unless an extension is granted. The training is offered through the Asset Management Division and can be setup by contacting Maureen Carden at the e-mail address above.