

MORTGAGE LOAN - FEASIBILITY, COMMITMENT and INITIAL CLOSING GUIDELINES

For development proposals being processed under the Fast Track method, management agents are required to submit the items from each phase described below at one time. Under the Fast Track method, the feasibility, commitment and initial closing phases are combined, and the feasibility and commitment budgets are one.

For all other development proposals the management agent must complete and submit items from each phase separately.

PHASE I. - MORTGAGE LOAN FEASIBILITY:

The Office of Asset Management=s Feasibility process requires the submission and approval of the following items:

- \$ Feasibility Budget
- \$ Budget Comparable Form
- \$ Amenities Checklist
- \$ Agent Qualification Data Application

Feasibility Budget

The Agent and the Owner must develop the operating expenses for the proposed development. Enclosed is a copy of MSHDA=s #450 Budget format and instructions (Exhibit A). Please use this format for submission of the feasibility budget proposal.

Budget Comparables Form

At least three budget comparables must be given, using the format provided (Exhibit B). This information will help determine if performance is above, below or within the minimum and maximum ranges of MSHDA=s analysis.

Amenities Checklist

Included in the Intake Package is an Amenities Checklist (Exhibit C), which requires completion as it relates to the proposed development. A review of competitive development amenities should be made to determine the level of amenities for the proposed development.

Agent Qualification Data Application

The Agent Qualification Data Application and Exhibit Requirements (Exhibit D) are required of all agents that do not have prior Authority approval, or are not currently managing an Authority-

financed development. If the proposed management agent is currently managing Authority-financed developments, it is not necessary to complete the application.

PHASE II. - MORTGAGE LOAN COMMITMENT:

The Office of Asset Management's Commitment process requires the submission and approval of the following items:

- \$ Marketing and Equipment/Furnishings Budget
- \$ Commitment Budget
- \$ Tenant Selection Criteria

Marketing and Equipment/Furnishings Budget

The Marketing and Equipment/Furnishings Budget must be prepared utilizing Exhibit E. The Marketing Budget will project the costs of marketing the housing development during the initial lease up. The Equipment and Furnishings Budget will project the cost of initially furnishing, and providing equipment for, the proposed development. Detailed notes, including mathematical computations, and supportive documents must be included for each line item of the budget.

Commitment Budget

At Mortgage Loan Commitment the operating budget must be finalized, and will be incorporated as the first full year operating budget. Reviewing the architectural plans, and attending Design Review Meetings between feasibility and commitment, will help to finalize the budget. Once the budget is completed, an officer of the Agent, and the owner should sign and submit the budget.

Tenant Selection Criteria

The management agent must develop and submit job specific tenant selection and eligibility criteria, and waiting list procedures.

PHASE III. - INITIAL CLOSING:

The Office of Asset Management's Initial Closing process requires the submission and approval of the following enclosed documents:

- \$ Management Agreement (**three original copies**)
- \$ Certification of Owner and Management Agent (**three original copies**)
- \$ Power of Attorney (**three copy**)
- \$ Marketing Agreement (**three original copies**)