



## Targeted Affordable Housing Cash Mortgage Forward Commitment Full Underwriting Checklist

### Exhibit 1: Underwriting Checklists (10/14/16) Section 1.30

This checklist applies to TAH Cash Mortgages originated under a Forward Commitment for the purpose of:

- New Construction
- Substantial rehabilitation

Please see Chapter 55 of the Guide for a full description of each item listed.

#### Underwriting Documents

- Quote, final
- Seller's certification regarding compliance with representations and warranties
- Mortgage transaction narrative analysis
- Borrower and Borrower Principal Certificate – Form 1115, if the Borrower entity is organized as of the date of submission of the full underwriting package
- Financial statements of Borrower and Borrower Principals – certified
- Credit reports
- Real Estate Schedule – Form 1116
- Wood-damaging insect inspection report or a certification from the Property's current pest control provider, when required <sup>1</sup>
- Rent roll – certified, dated within 30 days of package submission, if applicable
- Historical property financial statements – certified for the preceding three completed fiscal years
- Current property financial statements – certified
- Seller's pro forma property financial statements
- Blanket Certification for property financial statements and rent rolls
- Property inspection documentation
- Flood zone determination (FZD)

<sup>1</sup> See Section 8.2(e) for instances when wood-damaging insect documentation is required

## **Targeted Affordable Housing Cash Mortgage Forward Commitment Full Underwriting Checklist**

### **Exhibit 1: Underwriting Checklists (10/14/16) Section 1.30**

- Appraisal
- Environmental report
- Market study
- Photographs
- Zoning documentation
- Access easement and Essential Facilities and/or Recreational Facilities easement documentation, if applicable
- Confirmation of compliance or a request for approval of shared facilities or access, if applicable
- Commercial lease documentation, if applicable
- Management plan or management agreement
- Ground lease documentation, if applicable
- Registration of rental units, if applicable
- Seller's mortgage loan application with Borrower
- Organizational charts – Borrower, guarantor and Borrower Principals
- Conflict of Interest statement, if applicable
- Verification of Collections – Form 1144, or certified operating statements for the most recent three months
- Evidence of Insurance, Form 1133, Seller/Service Certification of Insurance Coverage, and other insurance documentation
- Moisture Management Plan, if applicable
- Real estate tax bill, if applicable
- Purchase agreement and analysis
- Cooperative analysis, if applicable

## Targeted Affordable Housing Cash Mortgage Forward Commitment Full Underwriting Checklist

### Exhibit 1: Underwriting Checklists (10/14/16) Section 1.30

- Preliminary legal issues memorandum (PLIM)
- Seismic risk documentation, if required by Chapter 16
- Regulatory agreements and amendments
- Condominium analysis, if the Mortgage is subject to a condominium regime (may be included in the Mortgage transaction narrative analysis)
- Additional documentation, as required by Freddie Mac

#### Construction Documentation

##### Construction documentation for Forward Commitments with expedited review\*

- Pre-construction analysis report
- A narrative summary with the following content:
  - Property and site description, including adequacy of budget and schedule, environmental issues/resolution, seismic issues/resolution, other outstanding issues/resolution, and if a substantial rehabilitation, statements regarding the adequacy of the scope to address any deficiencies identified in the property condition and Phase I reports
  - A summary analysis of the development team's qualifications, including the capability of the architect, contractor and developer to execute the plan

##### Construction documentation for Forward Commitments with standard review

- Pre-construction analysis report with additional rehabilitation scope for rehabilitation projects
- Plans (hard copies in 11 X 17 inch format)
- Specifications
- Schedule of values
- Construction contract(s)
- Construction schedule
- Building permits and other governmental approvals
- A narrative summary with the following content:
  - Property and site description, including adequacy of budget and schedule, environmental issues/resolution, seismic issues/resolution, other outstanding issues/resolution, and if a substantial rehabilitation, statements regarding the adequacy of the scope to address any deficiencies identified in the property condition and Phase I reports
  - A summary analysis of the development team's qualifications, including the capability of the architect, contractor and developer to execute the plan

\*See Section 19A.1(d) for construction documentation that must be delivered after the date of the Forward Commitment for a Forward Commitment with the expedited review option.

**Targeted Affordable Housing Cash Mortgage  
Forward Commitment Full Underwriting Checklist**

**Exhibit 1: Underwriting Checklists (10/14/16)  
Section 1.30**

**If the Property is already under construction**

- All monthly construction monitoring reports
- All executed change orders