

## Multi-Family Housing Transfer and Assumption Review and Recommendation

**I. USDA HAS RECEIVED AN APPLICATION FOR A PRESERVATION TRANSFER AND ASSUMPTION OUTLINED BELOW:**

Name of Project:	
Street Address or Project (w/zip code):	
Name of Project's Current Owner (Transferor):	
Name of Project's Proposed Transferee:	
Expected Date of Transfer:	
Reason for Transfer:	

**II. LOAN INFORMATION**

As of Date:

Lender/Lien Holder	Lien/Promissory Note Date	Original Amount	Current Balance	Current? (yes/no)

Is project eligible to prepay?

Project's restrictive use agreement expires/expired?

**III. PROJECT INFORMATION:**

Family    
  Elderly    
  Congregate

Rent Information:

Bedroom size	No. non-income units	No. income units	Current Basic Rent	Post-Transfer Basic Rent	Estimated Market Rent in Area
0 Bedroom					
1 Bedroom					
2 Bedroom					
3 Bedroom					
4 Bedroom					
<b>Total Units</b>					

If HUD subsidized, is project under Plan II?

Tenant Subsidy at project:

	Current	Post-Transfer
USDA Rental Assistance (RA)		
HUD project-based Section 8		
Other:		
Other:		
<b>Total subsidized units:</b>		

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**IV. RESERVE ACCOUNT INFORMATION**

Current annual reserve transfer requirements: \_\_\_\_\_ (= \_\_\_\_\_ per unit)

As of:

Current reserve account balance	
Required reserve account balance	
Underfunded balance	

**V. PROJECT CONDITION AND COMPLIANCE INFORMATION**

MFIS Classification:

Date of last supervisory visit:

Date of last walk-about physical inspection:

Date of last compliance review:

Note any accessibility issues unresolved at the project. \_\_\_\_\_ Estimated cost to correct:

Note any deferred maintenance issues unresolved at the project. \_\_\_\_\_ Estimate cost to correct:

- The loan account is current.
- The reserve account is on schedule, less authorized withdrawals.
- The taxes and insurance account is on schedule and all outstanding bills paid.
- The security deposit account is fully funded.
- There are no outstanding maintenance items.
- Management is satisfactory.
- There are no open OIG audit findings or investigations against the borrower or related entities.
- The borrower and members of the borrower entity are in compliance on all other projects or complying with an approved workout plan for a minimum of 6 months.
- All necessary repairs to assure that the housing will be decent, safe and sanitary, and other improvements proposed by the applicant to enhance long-term viability of the housing agreed to by USDA.

Last appraised value of project: \_\_\_\_\_ as of \_\_\_\_\_

**VI. APPRAISAL**

1. The proposed transaction:  
 WILL  WILL NOT prevent or make more difficult the successful operation of this property.  
 WILL  WILL NOT reduce the efficiency of the property.
2. The proposed transaction will affect the value of this property as security of the loan as follows:
3. The following  damages or  benefits will result to this property from the transaction:

**VII. OTHER**

Are transferees occupying the property?

If any portion of the property is currently leased, the terms and conditions of the lease have been reviewed and the lease is transferable to the new owner for the life of the loan if necessary.

Explain any change in marital status of transferors since they received the loan.

Agreement discloses the payment and/or assumption of prior and junior liens.

The assignment of property insurance and paid unearned premiums is disclosed.

Distribution of any income from rentals, easements, mineral leases, etc. is disclosed.

Disposition of existing abstracts of title, owner's title insurance policy or other title evidence is described.

Expenses to be paid by transferors and transferees are detailed.

Note any special transfer and assumption approval conditions recommended:

SOURCES AND USES OF FUNDS

**Example Apartments transfer to Preservation Associates, LP**

USE OF FUNDS	PERMANENT SOURCES OF FUNDS:					
	Tax Credit	USDA Assumption	Lender Name	Other	Other	Other
Total Acquisition Cost						
Total Rehab Costs						
Total Relocation Expenses						
Total new Construction Costs						
Total Architectural Costs						
Total Survey & Engineering						
Total Construction Interest & Fees						
Total Permanent Financing Costs						
Total Attorney Costs						
Total Reserve Costs						
Total Appraisal Costs						
Total Contingency						
Total Other Costs						
Total Developer Costs						
<b>TOTAL PROJECT COST</b>						

Balanced

**Permanent Financing Detail** (for all sources other than USDA and tax credit)

Funding Source	Loan Amount	Interest Rate	Amortization (yrs)	Term (yrs)	Monthly Payment	Indicate if residual receipts, deferred, etc.
Lender Name						
Other						
Other						
Other						

**Interim Financing Detail** (for all sources other than USDA)

Funding Source	Loan Amount	Interest Rate	Amortization (yrs)	Term (yrs)	Monthly Payment	Indicate if residual receipts, deferred, etc.
Community Bank						
Other						

**Multi-Family Housing Transfer and Assumption  
Review and Recommendation**

We further agree that:

(a) Any payments received by USDA (Agency) for application on Agency direct debts secured by the real estate being transferred which are not reflected on the latest transaction record used for determining the amount of the account shall not be applied until after the transfer is completed or disapproved. When the transfer is completed, any funds held in suspense by the Agency will be applied to the transferee's assumed Agency indebtedness.

(b) The total consideration for the conveyance of the security is  
\_\_\_\_\_ \$ \_\_\_\_\_

(c) The transferee will:

(1) Assume an indebtedness to the Government  
\_\_\_\_\_ of \_\_\_ \$ \_\_\_\_\_

(2) Assume indebtedness  
to \_\_\_\_\_ of \_\_\_ \$ \_\_\_\_\_

(3) Assume indebtedness  
to \_\_\_\_\_ of \_\_\_ \$ \_\_\_\_\_

(4) Pay the transferors (as  
equity) \_\_\_\_\_ \$ \_\_\_\_\_

**CERTIFICATION:**

**We hereby certify that the information given above concerning agreements between us is correct and is fully understood.**

\_\_\_\_\_  
**TRANSFEROR/CO-TRANSFEROR**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**TRANSFEEE/CO-TRANSFEEE**

\_\_\_\_\_  
**DATE**

**I recommend that this application be approved.**

Date \_\_\_\_\_ Recommended by: \_\_\_\_\_

\_\_\_\_\_  
*(Title)*

Date \_\_\_\_\_ Recommended by: \_\_\_\_\_

\_\_\_\_\_  
*(Title)*

**UNITED STATES DEPARTMENT OF  
AGRICULTURE**