

NONPROFIT APPROVAL CHECKLIST

Please place a check mark next to the activity for which your organization is seeking approval. Use this form as a checklist for your application and include it in your application submission. Transitional Housing is not acceptable under Single Family Programs.

- The HUD Homes Program:** (Applicants seeking approval to purchase HUD Homes must submit the items requested in numbers 1-21 below, with the exception of numbers 15 and 18)

- Nonprofit Agencies as Mortgagors:** (Applicants seeking approval to serve as mortgagors must submit the items requested in numbers 1-17, as well as 20 and 21.)

- Secondary Financing:** (Applicants seeking approval to provide secondary financing must submit the items requested in numbers 1-18, with the exception of numbers 2,13,14,15, and 17. Items not required are indicated with an asterisk(*). Applicants must also respond to number 20. An affordable housing program narrative **is not required**.)

Required Information Nonprofit Agency Information

Name of Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
E-mail Address: _____

To apply for participation in FHA programs, a nonprofit agency must submit the following documentation to the HOC that has jurisdiction over their primary location (see mailing instructions at the end of this checklist):

1. An IRS "Letter of Determination" which verifies approval under Section 501(c)(3) as exempt from taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended. The organization must have an effective date of exemption, as defined by the IRS, under section 501(c)(3) at least two (2) years prior to the HUD nonprofit application date. In addition to the Letter of Determination, a certification signed by an authorized representative of the organization certifying that: the organization's approval for tax exemption has not been modified or revoked by the IRS; that the program activities for which

Attachment 1

the organization seeks HUD approval to participate are consistent with the activities and purposes for which the IRS granted tax-exempt status; and that the nonprofit has notified the IRS of any substantial and material changes in its character, purpose, or methods of operation.

- 2. A conformed copy of the articles of organization and by-laws, if applicable, of the nonprofit agency. Articles of organization means articles of incorporation, charter, articles of association, constitution, trust instrument, or any other written instrument by which an organization is created. A conformed copy is a copy that agrees with the original and all amendments to it. These documents must be signed and dated by the appropriate persons under applicable state law. The conformed copy of each document must be accompanied by a written declaration signed by an authorized representative of the organization certifying that the copy is a complete and accurate copy of the document.

With respect to an association's articles, the certification must also indicate that two or more individuals, whose names are identified in the articles, have signed. As an alternative to the foregoing declaration, an organization may submit a conformed copy of its articles approved and dated by the appropriate state authority.

- 3. Certification signed by an authorized representative of the nonprofit agency in the following format certifying that the nonprofit agency has a voluntary Board of Directors.

Required Wording of Certification
(Name of Applicant) certifies that the members of the Board of Directors serve in a voluntary capacity and receive no compensation, other than the reimbursement of expenses, for their services and the nonprofit agency operates in a manner so that no part of its net earnings is passed on to any individual, corporation, or other entity.
Print name of Authorized Agency's Representative: _____
Signature: _____
Title: _____ Date _____
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)

- 4. A list of Board members' names, board positions, length of term on board, and each members term expiration. In addition, information on the Board member's employment must be provided. Submit the name and address of the organization where employed, position and title of employee, and nature of the organization's business.

Attachment 1

- 5. A list of all principal staff, and resumes for principal management staff, of the agency. Resumes must demonstrate experience in developing and administering housing programs. **STAFF EXPERIENCE DOES NOT RELIEVE THE NONPROFIT ENTITY OF THE REQUIRED TWO YEARS OF ORGANIZATIONAL EXPERIENCE AS DESCRIBED IN ITEM 7.**
- () 6. Provide your organization's Federal Employer Identification Number (EIN), any subsidiary organization's EIN, as well as the Social Security Number for each voting Board member and salaried and voluntary principal staff.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration (FHA), is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to validate an agency's legal and financial status ensure that no conflicts of interest exists between nonprofit agencies, their boards of directors, their principal staff or any other entities that may participate in operating their affordable housing programs. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigation and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's FHA Nonprofit Program.

- 7. Organizational resolutions delegating signature authority to sign loan applications and/or sales contracts on behalf of the organization. These resolutions must be signed and dated by the appropriate persons under applicable state law and the organization's articles and other governing documents.
- () 8. Evidence of the administrative capability of the applicant to develop and carry out the proposed homeownership program in a reasonable timeframe and a successful manner. Include the past experience of the applicant, if any, in acquisition, rehabilitation, counseling, and/or administration of a homeownership program or other affordable housing program. Also, include a copy of the nonprofit's Quality Control Plan for monitoring program activities and compliance with FHA requirements. Based on the level of administrative capacity, HUD may limit the number of properties purchased at a discount and/or mortgages insured by FHA.
- 9. Evidence of financial capacity of applicant to carry out the proposed homeownership or secondary financing program, including current, year-end financial statements (audited if required), profit and loss statements, and balance

Attachment 1

sheets. Based on the level of financial capacity, HUD may limit the number of properties purchased at a discount and/or the number of mortgages insured by FHA.

- 10. Identification of business partners, such as Real Estate Agents, lenders, rehabilitation contractors and consultants providing administrative, financial and/or management services. Identify the company by name, address, license number, and list staff with whom you will work. Explain the nature and cost of the services, and how the nonprofit exercises control over the business partners, if applicable.

- 11. Certification signed by an authorized representative of the organization certifying to HUD that the nonprofit is acting on its own behalf and is not under the influence, control, or direction of any party seeking to derive a profit or gain from the proposed project, such as, but not limited to, a landowner, real-estate broker, banker, contractor, builder, lender or consultant. THE NONPROFIT MUST OVERSEE AND MAINTAIN CONTROL OF THEIR OPERATIONS AND MAKE ALL DECISIONS.

Required Wording of Certification
I certify that (Name of Applicant) is acting on its own behalf and is not under the influence, control, or direction of any party seeking to derive a profit or a gain from the proposed project, such as, but not limited to, a landowner, real estate broker, banker, contractor, builder, lender, or consultant.
Print name of Authorized Agency's Representative: _____
Signature: _____
Title: _____ Date _____
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)

- 12. Copy of nonprofits agency's most recent approval letter issued by a HUD Office, if available.

- 13. Description of the Affordable Housing Plan for each local area in which the nonprofit agency intends to be active (see Attachment 2 for narrative format). The Program plan must be resubmitted for approval every two years (with evidence of performance in promoting homeownership)

Attachment 1

- ◀ ▶ 14. Board resolution adopting the completed Affordable Housing Plan (see Attachment 2). This resolution must be signed and dated by the appropriate persons under applicable state law and the organization's articles and other governing documents

- (▶ 15. For participation as a mortgagor, the nonprofit agency must provide evidence of past and current performance of FHA insured loans, including addresses and FHA case numbers, certification of completion for each 203 (k) property, date sold, sales price, and full name and telephone number of buyer.

- ◀ ▶ 16. Evidence that the nonprofit agency has a minimum of two consecutive years, within the last 5 years, of housing development experience. Hiring of experienced staff does not relieve the nonprofit agency of the experience requirements.

- ◀ ▶ 17. Name, address and contact of any lending institution or bank that has provided financing to the nonprofit.

- () 18. Copies of the mortgage and note used by, or proposed to be used by, the nonprofit agency to secure financing (only required for those nonprofit agencies seeking approval as providers of secondary financing).

NOTE: Once HUD approval is granted, nonprofit agencies are still required to obtain credit qualification from the lender for each mortgage originated.

- ◀ ▶ 19. For nonprofits seeking approval to purchase HUD Homes, completed IRS form W-9, Request for Employer Identification Number (EIN) and Certification, and HUD's form SAMS -1111, Payee Name and Address . These forms are needed to provide the nonprofit with a Name and Address Identifier (NAID) that is required to bid on REO properties.

- ◀ ▶ 20. Photographs of facilities and floor plans.

- ◀ ▶ 21. In the event that a nonprofit is approved to operate a lease-purchase program, copies of the lease with option to buy form used by, or proposed to be used by, the nonprofit in establishing the parameters of these arrangements.

NOTE: To be approved for this activity, nonprofits must adequately explain and document the conditions justifying the need for a lease-purchase arrangement, as opposed to an immediate sales program.

On a separate sheet of paper, please include the following:

Required Wording of Certification
I certify that the information submitted in response to the “Applicant/or Recertification Package” is accurate.
Print name of Authorized Agency’s Representative: _____
Signature: _____
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)

REMINDER: All documents provided should be either original documents or noted as true and certified copies of originals.

Recertification Requirements

If the nonprofit agency is seeking recertification of a previous approval they must provide, in addition to Items 1-21 above, a detailed description of the activities undertaken during their period of approval. Utilize the format established in Attachment (5).

Mailing Instructions and Information Requests

Once the application/recertification package has been completed, nonprofits, must submit all application materials, including the Affordable Housing Program (except nonprofits applying for approval to provide secondary financing), to the OC listed below that has jurisdiction over their primary location:

Atlanta HOC jurisdiction

Department of Housing and Urban Development
Atlanta Homeownership Center
Five Points Plaza
40 Marietta Street
Atlanta, Georgia 30303

ATTN: Program Support Division; Nonprofit Approvals

For addition information from the Atlanta HOC regarding the completion of the application or to check the status of an application approval, please call (404) 331-5001, ext. 2055, or toll free 1-888-696-4687 ext.2055

Denver HOC jurisdiction:

Department of Housing and Urban Development
Denver Homeownership Center, Wells Fargo Tower North
633 17th Street
Denver, CO 80202-3607

ATTN: Program Support Division; Nonprofit Approvals

For addition information from the Denver HOC regarding the completion of the application or to check the status of an application approval, please call (303) 672-5216, or toll free 1-800-543-9378.

Philadelphia HOC jurisdiction:

Department of Housing and Urban Development
Philadelphia Homeownership Center,
100 Penn Square East
Philadelphia, PA 19107

ATTN: Program Support Division; Nonprofit Approvals

For addition information from the Philadelphia HOC regarding the completion of the application or to check the status of an application approval, please call (215) 656-0516, or toll free 1-800-440-8647.

Santa Ana HOC jurisdiction:

Department of Housing and Urban Development
160 N. Stone Avenue
Tucson, AZ 85701

ATTN: Nonprofit Team

For addition information from the Santa Ana HOC regarding the completion of the application or to check the status of an application approval, please call (520) 670-6237, or toll free 1-888-827-5605.