

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

In the following four sections, this document provides an overview of the RAD closing process and instructions on the document submission requirements for PBRA conversions:

- 1) General overview of the closing process;
- 2) Quick reference closing document checklist;
- 3) Full checklist with detailed descriptions and information on each submission requirement.
- 4) Instructions for uploading the draft closing package to the RAD Resource Desk

Part 1: General Overview of the Closing Process for PBRA Conversions

Assignment of a RAD Closing Coordinator, HUD Field Counsel & HUD Multifamily Account Executive

Upon issuance of the RAD Conversion Commitment (RCC), the RAD Closing Coordinator will serve as your main point of contact during the closing process. The RAD Closing Coordinator will contact you with instructions and will provide you with the name of the assigned HUD Field Counsel and HUD Multifamily Account Executive. The Closing Coordinator will also arrange a kick-off call with internal and external parties to discuss the closing process, timelines and other topics as needed. For additional information on the RAD closing process, please see the “Closing Process for RAD Public Housing Conversions” webinar on www.radresource.net.

Required Closing Documents

A full list of closing documents is shown in Part 2. Not all documents are applicable in all closings. Use the full checklist in Part 3 to understand what’s needed for your specific closing document submission. Discuss any questions you may have regarding applicability of documents with your RAD Closing Coordinator and HUD Field Counsel. The latest version of HUD documents and templates can be found in the Closing section of the Document Library on the RAD Resource Desk, www.radresource.net/doclibrary.cfm. Copies of HUD Multifamily forms can be found on HUDCLIPS.

NEW Closing Package Submission

You must submit two copies of the draft closing package, one to your assigned RAD Closing Coordinator and one to your assigned HUD Field Counsel. **As of September 10, 2018, all draft closing package submissions to your RAD Closing Coordinator must be uploaded via www.radresource.net. Upload instructions can be found in Part 4 of this document. Your assigned HUD Field Counsel will still need to receive a copy of the draft closing package, either via email, CD, or hardcopy.** Please contact your assigned HUD Field Counsel for their submission instructions. Only complete draft closing packages will be reviewed. The draft closing package should be submitted to both parties within two weeks of RCC issuance and no later than two months following RCC issuance. Failure to submit a closing package within two months will result in your transaction being placed in “Delayed Submission” status where it will be unassigned for your closing coordinator and HUD counsel and your RCC will be at risk of being withdrawn by HUD.

Closing Package Review

Upon receipt of a complete closing package, the RAD Closing Coordinator and HUD Field Counsel will review, provide comments, and work with you to finalize all required documents in order to close. For the purposes of RAD, the closing date is the date of recording. You will receive instructions from your RAD Closing Coordinator regarding documents required to be submitted after closing as part of the final closing docket. Note: FHA-RAD Closings will follow the existing FHA requirements and closing process with the addition of a RAD Closing Coordinator who will review the RAD-specific documents.

Additional Guidance and Requirements for PBRA RAD Conversions

Please note that this closing checklist only pertains to the closing of the RAD conversion and that there are additional requirements that the PHA and/or new ownership entity must fulfill as part of the conversion from Public Housing to Multifamily Housing including leases, submitting 50058 End of Participation prior to the effective date of the RAD PBRA HAP contract, completing the 50059s, obtaining access to HUD systems, etc. Please refer to “**RAD’s Quick Reference Guide to Multifamily Housing Requirements**” which can be found in the Document Library on www.radresource.net.

FDS Reporting Requirements for all RAD Conversions

Projects converting to RAD will experience a series of reporting changes based on the timing of the conversion. Consult PIH-REAC PHA Financial Accounting Brief #22: FDS Reporting Requirements for Projects Converting Under RAD. A copy can be found in the Document Library on www.radresource.net.

Important Reminder -for PHAs Leaving Public Housing

If this RAD conversion represents the PHA’s last remaining public housing units, consult PIH Notice 2016-23 for specific requirements and guidance for leaving the Public Housing program.

**Rental Assistance Demonstration Closing Overview & Checklist: Project Based
Rental Assistance (PBRA) Conversions
Part 2: Quick Reference Closing Document Checklist for PBRA RAD Conversions**

No.	Document	Included
1	Closing Contact List	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	Fully executed RAD Conversion Commitment (HUD Form 52624)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Evidence of Completion of RAD Conversion Commitment Special Conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4	Request to Amend the RAD Conversion Commitment	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5	RAD Use Agreement (HUD Form 52625)	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	RAD PBRA HAP Contract a) Part 1 (HUD Form 52620), including all exhibits b) Part 2 (HUD Form 52618)	<input type="checkbox"/> Yes <input type="checkbox"/> No
7	Declaration(s) of Trust/Declaration(s) of Restrictive Covenants and any title encumbrance and/or exception documents	<input type="checkbox"/> Yes <input type="checkbox"/> No
8	Release(s) of Declaration(s) of Trust and/or Declaration(s) of Restrictive Covenants	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9	Title Pro Forma and/or Title Report	<input type="checkbox"/> Yes <input type="checkbox"/> No
10	Survey and Site Plans	<input type="checkbox"/> Yes <input type="checkbox"/> No
11	Sources & Uses	<input type="checkbox"/> Yes <input type="checkbox"/> No
12	Consolidated Owner Certification	<input type="checkbox"/> Yes <input type="checkbox"/> No
13	Certification and Assurances	<input type="checkbox"/> Yes <input type="checkbox"/> No
14	Opinion of Project Owner's Counsel (post-conversion owner)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
15	Opinion of PHA's Counsel	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
16	Rental Schedule (HUD Form 92458)	<input type="checkbox"/> Yes <input type="checkbox"/> No
17	Project Owner's/Management Agent's Certification (HUD Form 9839)	<input type="checkbox"/> Yes <input type="checkbox"/> No
18	Management Entity Profile (HUD Form 9832)	<input type="checkbox"/> Yes <input type="checkbox"/> No
19	Property Management Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
20	Evidence of Required Amount of Fidelity Bond Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No
21	Tenant Leases (sample)	<input type="checkbox"/> Yes <input type="checkbox"/> No
22	RAD Delayed Conversion Agreement (PBRA) (formerly known as the New Construction Agreement)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
23	Master Lease/Tenancy Addendum	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
24	Organizational Documents for New Ownership Entity a) Organizational chart and list of key partners/principals b) Articles of Organization; By-Laws; Partnership Agreement (as applicable) c) Certificate of Existence, Certificate of Good Standing, or similar document from the Secretary of State providing the legal name of the Project Owner	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
25	Amendments/Releases of Existing Mixed Finance Documents a) Termination of Mixed Finance Amendment to the ACC b) Termination of Regulatory and Operating Agreement (R&O Agreement) c) Lender and PHA Subordination Agreements, as applicable	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
26	Deed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
27	Ground Lease and Memorandum of Ground Lease	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
28	Evidence of Payoff, Release or Subordination of Existing Debt	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
29	Restrictive Covenants and Land Use Restrictions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
30	General Depository Agreement (HUD Form 51999)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
31	First Mortgage Financing Documentation a) Note b) Mortgage/Deed of Trust c) Intercreditor/Subordination Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
32	New Junior Debt Supporting Documentation a) Note	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

**Rental Assistance Demonstration Closing Overview & Checklist: Project Based
Rental Assistance (PBRA) Conversions**

	b) Mortgage/Deed of Trust c) Intercreditor/Subordination Agreement	
33	Bond Financing Documentation a) Documentation that issuance of the bonds has been authorized b) Firm Commitment to purchase the bonds	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
34	LIHTC Equity Documentation a) Equity Commitment, including the pay-in schedule b) LIHTC Reservation Letter	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
35	New Construction or Substantial Rehabilitation Documentation a) Evidence that the General Contractor has obtained either (i) a payment and performance bond from a properly licensed surety; or (ii) a letter of credit b) Owner Completion Guarantee Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
36	HUD Form(s) 50075.1 with Budget Line Item 1504	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
DOCUMENTS TO BE SUBMITTED IMMEDIATELY AFTER CLOSING		
37	HUD Form 50075.1 with Budget Line Item 1503 and Initial Year Funding Tool	<input type="checkbox"/> Yes <input type="checkbox"/> No
38	Form 50058 End of Participation (EOP)	<input type="checkbox"/> Yes <input type="checkbox"/> No
39	Recorded Release of Declaration(s) of Trust/Declaration(s) of Restrictive Covenant and Use Agreement; fully executed HAP Contract, Certification and Assurances	<input type="checkbox"/> Yes <input type="checkbox"/> No
40	Post Closing Docket	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Rental Assistance Demonstration Closing Overview & Checklist: Project Based
Rental Assistance (PBRA) Conversions
Part 3: Full Closing Checklist for PBRA Conversions**

No.	Document	Applicability	Notes and Instructions
1	RAD Closing Contact List	Always	<ul style="list-style-type: none"> • Provide this list to your RAD Closing Coordinator as soon as possible and no later than with the submission of your draft closing package. • The list should include full contact information for all parties that will be involved in the closing including - but not limited to- PHA, Project Owner, Existing Owner (if different from the PHA or Proposed Project Owner), PHA counsel, Project Owner’s Counsel, Lender’s Counsel, Escrow Agent, etc.
2	RAD Conversion Commitment (RCC) – HUD Form 52624 (fully executed)	Always applicable	<ul style="list-style-type: none"> • Execution/Termination/Extensions: <ul style="list-style-type: none"> ○ Must be fully executed by authorized representatives of the PHA, Project Owner, and Existing Owner (if different entities) within 30 days of issuance or the RCC will be terminated and must be reissued. ○ For existing Mixed Finance conversions where the PHA is not the current owner, the PHA must still execute the RCC as an acknowledging party. ○ Note that the RCC expires 90 days after issuance unless extended by HUD. RCC extension requests should be sent to your assigned RAD Closing Coordinator in advance of expiration. • Return/Submission of Fully Executed RCC: <ul style="list-style-type: none"> ○ Upload a copy of the fully executed RCC within 30 days of issuance to the RAD Resource Desk. It should be uploaded as Item 2, Fully Executed RCC, in the Closing Document Upload section • Changes/Amendments: <ul style="list-style-type: none"> ○ No changes to the RCC language are allowed. ○ If you believe corrections are needed to the HUD-executed RAD Conversion Commitment please contact your RAD Transaction Manager and RAD Closing Coordinator immediately; HUD may process an amendment to the RCC to incorporate the corrections applicable. The HUD-executed RCC must still be countersigned within the 30-day timeframe. ○ If terms outlined in the RCC have changed, submit a request to your RAD Closing Coordinator outlining the requested changes. See item #4 in this closing checklist for information on submitting RCC amendment requests. ○ HUD expects your transaction to close within 90 days. If an extension is warranted, please contact your RAD Closing Coordinator.
3	Evidence of Completion of RAD Conversion Commitment Special Conditions	Conversions with special conditions listed in the RCC.	Upload relevant documentation pertaining to any Special Conditions. Work with your Closing Coordinator to ensure all conditions are satisfied prior to closing. Any certifications can be included in the Consolidated Owner Certification.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

4	Requests to Amend the RAD Conversion Commitment	Applicable if proposing changes to the RCC for corrections or revisions	<ul style="list-style-type: none"> • Not required to be submitted with the draft closing package but should be submitted as soon as possible. • An RCC amendment may be required whenever there is a change to the RCC or its' exhibits, including Sources & Uses. • Any changes to the Sources & Uses or financing terms require an update to the Transaction Log on www.radresource.net. • Please discuss any requested amendments with your RAD Closing Coordinator. • The RCC amendment request should be uploaded to the RAD Resource Desk and should detail all requested changes and justifications as appropriate.
5	RAD Use Agreement – HUD Form 52625	Always applicable	<ul style="list-style-type: none"> • Parties: The Project Owner and HUD are parties to the Use Agreement. If there is a ground lease, the fee owner (generally the PHA) and the Project Owner <u>both</u> execute the Use Agreement. Prepare HUD's signature block for the Director, Office of Recapitalization. Include a Washington, D.C. notary block. Your assigned RAD Closing Coordinator can provide you with a copy of the appropriate signature block if needed. • Legal Description: Unless there is a transfer of assistance, the legal description on the Use Agreement(s) will generally cover all property released from DOT. Where assistance is being transferred to a different site, ensure that the Use Agreement encumbers the Covered Project (the project that will be receiving Section 8 subsidy), not the Converting Project (current public housing project). • Term: Ensure that the initial term of the Use Agreement matches the approved HAP contract term. • Local Recording Requirements: The Use Agreement must contain all formalities required for recording a deed in the jurisdiction of recordation (i.e., notary/acknowledgement, seal, etc.). • Priority: The RAD Use Agreement must be superior to all financing documents (including FHA-insured mortgages). • Partial vs Full Release: If the DOTs/DORCs are being partially released, include the word "partially" in the reference to that DOT/DORC Release in the Use Agreement; if the DOTs/DORCs are being fully released, include the word "fully" in the reference to that DOT/DORC Release. • No changes to the form are allowed (other than changes to the signature pages to reflect state recording requirements). • Include the Covered Project's name and PBRA HAP project number.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based

Rental Assistance (PBRA) Conversions

6	RAD PBRA HAP Contract a) Part 1 - HUD Form 52620 b) Part 2 - HUD Form 52618	Always applicable	<ul style="list-style-type: none"> Completed by PHA/Owner's Counsel. No changes to the boilerplate HAP contract language are permitted. If applicable, HUD will provide the Rehab Assistance Payment in the RCC to be input in Part 2 of the PBRA HAP Contract. Exhibit 2 to the RAD PBRA HAP is the Affirmative Fair Housing Marketing Plan (AFHMP), HUD Form 935.2A. This form should be completed and submitted to the local Multifamily Field Office at the Financing Plan stage. The draft closing package should include the final approved copy of the Plan or an indication that it is in process. Projects are permitted to close without an approved AFHMP; in those cases, the draft AFHMP plan should be attached with a cover page that says "Draft – The attached Affirmative Fair Housing Marketing Plan (AFHMP) has been submitted to HUD for review. No marketing or leasing is permitted until approval of the AFHMP by HUD. Marketing or leasing includes the solicitation, distribution or acceptance of applications or development of a waiting list." The HAP Contract effective date must be the first day of either the first or second month following closing; for example, for a 9/3/16 closing, the HAP contract effective date should be 10/1/16 or 11/1/16. Labor Standards Addendum (HUD Form 5679) must be attached to the HAP contract as Exhibit 3.
7	Declaration of Trust and any title encumbrance and/or exception documents	Always applicable	<ul style="list-style-type: none"> Provide a copy of any Declarations of Trust and/or Declarations of Restrictive Covenants in force, with their recording information, even if they are not shown on the Title Pro Forma. Submit any documents referenced in the legal description for the project (i.e. Plat/Parcel Map, etc.) Along with the title report and/or pro forma, provide a copy of all title exceptions and encumbrances
8	Release of the Declaration of Trust (DOT) and/or Declaration of Restrictive Covenants (DORC)	Unless approved by HUD in accordance with RAD requirements, only property that is part of the Covered Project (the project that will receive PBV or PBRA assistance and will be covered by the RAD Use Agreement) is eligible for DOT/DORC Release through RAD.	<ul style="list-style-type: none"> There is a HUD-approved sample form found on www.radresource.net but variations are allowed. If all land encumbered by the DOT/DORC is not converting through this transaction, ensure that the title and body of the document indicate that it is a <i>partial</i> release. If all land encumbered by the DOT/DORC is converting through this transaction, ensure that the title and body of the document indicate that it is a <i>full</i> release. If non-dwelling buildings and/or vacant land are associated with the Covered Project, the PIH Field Office must determine whether such assets may be released per the RAD Notice. When there is a phased conversion of a public housing project, HUD will look to the deal specifics to determine which property, if any, will be released from the DOT/DORC. In such situations, consult with HUD prior to submitting a draft closing package. Ensure that the Release fulfills state recording requirements. Prepare HUD's signature page for the General Deputy Assistant Secretary for Public and Indian Housing. Include a Washington, D.C. notary block, and a witness statement/signature line below the signature block. The legal description should identically match the legal description used in the title work. Any deviations must be explained to the satisfaction of HUD.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based

Rental Assistance (PBRA) Conversions

9	<p>Title Pro Forma and/or Title Report All proposed recorded documents must be listed in proper order.</p>	Always applicable	<ul style="list-style-type: none"> • Include a title report (always) and Owner’s Pro Forma Policy (if applicable) • In cases where there is a transfer of assistance, title work must be provided for both the Converting Project and the Covered Project. • The title search must search back at least to the vesting deed to the PHA. <ul style="list-style-type: none"> ○ If the title work reveals that a Converting Project is not covered by the appropriate current DOT/DORC, a DOT/DORC may need to be recorded. Please contact your RAD Closing Coordinator for further instruction. The current versions of the DOTs for Development and Modernization are available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud5. ○ Financial Liens and use restrictions must be subordinated to the RAD Use Agreement or released. All other encumbrances must also be subordinated unless HUD determines, in its sole discretion, that the encumbrance will not negatively impact the Covered Project. • If a title policy will be issued, provide a copy of the pro forma and a copy of the final policy (when issued) to HUD Field Counsel. • If no new debt is proposed as part of the RAD conversion and no party is receiving a title policy, a title report is acceptable. Ensure that the title report is dated within 30 days of when the HUD Field Counsel receives the complete draft package. Depending on the amount of time the deal takes to close, HUD Field Counsel may require an updated title report. • The legal description on the pro forma, title report and Use Agreement must precisely match. If this description does not match the DOT legal description, sufficient evidence must be provided for the HUD Field Counsel to determine (in her sole discretion), that the descriptions cover the same property. • Documents may be recorded in the following order: <ul style="list-style-type: none"> ○ Release of DOT/DORC (if applicable) ○ Deed or Memorandum of Ground Lease (ground lease or memo of ground lease must contain HUD required provisions subordinating to the Use Agreement) ○ RAD Use Agreement (always applicable) ○ Mortgages and Use Restrictions (as applicable) • <i>RAD-FHA conversions:</i> <ul style="list-style-type: none"> ○ <i>The RAD Use Agreement must appear on schedule B-1 of the title policy.</i> ○ <i>Include only the lender’s pro forma in the draft closing package unless HUD Counsel specifically requests to also receive the title commitment or title report.</i>
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Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

10	Survey and Site Plans	Always applicable	<ul style="list-style-type: none"> • A <u>hard copy full-sized survey</u> of the Covered Project must be included in the draft RAD closing Package sent to the HUD Field Counsel. If DOTs or DORCs will be released from the Converting Project, a full-sized survey must also be provided for the Converting Project. <ul style="list-style-type: none"> ○ If a recent survey is available, include a full-sized copy in the draft closing package submitted to HUD Field Counsel. If a recent survey is unavailable, there is no change to the existing footprint of buildings and no party is requiring a new survey, an old survey may be acceptable at HUD Field Counsel's sole discretion. • Site plans are encouraged and must be submitted for new construction. • <i>If the transaction also involves FHA financing, the Covered Project's survey must comply with all FHA requirements.</i> • Discuss any concerns regarding the survey requirements with your HUD Field Counsel.
11	Sources & Uses	Always applicable	<ul style="list-style-type: none"> • Final executed Sources & Uses must be submitted prior to closing. • If the Sources & Uses are changing prior to closing from what's shown in the RCC exhibit, the RCC may need to be amended. Check with your RAD Closing Coordinator. • Any change to the Sources & Uses or key terms requires an update to the RAD Transaction Log "As Closed" column on www.radresource.net
12	Consolidated Owner Certification	Always applicable	<ul style="list-style-type: none"> • This document includes required certifications and can be tailored to include any requirements/special conditions noted in the RCC. • A draft of this document must be submitted for review and approval as part of the draft closing package. • Prior to closing, a PDF of the fully executed certification must be sent to your Closing Coordinator. • See sample template available for download on www.radresource.net. The certification is frequently updated so please reference the latest version posted online.
13	Certification and Assurances	Always applicable	<ul style="list-style-type: none"> • All submitted closing documents must be listed. • A draft of this document must be submitted for review and approval and then executed prior to or at closing; • The executed version must be submitted to HUD Field Counsel within 3 days of closing. Attach redlines to the executed version showing changes made to the documents listed since sign-off by HUD. • See sample template available for download on www.radresource.net. • The document should reflect the following recording order: <ol style="list-style-type: none"> 1. [Partial or Full] Release of Declaration of Trust or Declaration of Restrictive Covenants (if applicable) 2. Deed or Memorandum of Ground Lease 3. RAD Use Agreement (always applicable) 4. Mortgages and/or Use Restrictions (if applicable)
14	Opinion of Project Owner's Counsel (Post-Conversion Owner)	Applicable if the PHA will not retain ownership.	<ul style="list-style-type: none"> • If the PHA will not retain complete, direct ownership of the Covered Project after conversion, opinions are required by both Post-Conversion Owner's Counsel and PHA's Counsel. • A template containing HUD-required language is available on www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

15	Opinion of PHA's Counsel	Applicable if the PHA will not retain ownership.	<ul style="list-style-type: none"> If the PHA will not retain complete, direct ownership of the Covered Project after conversion, opinions are required by both Post-Conversion Owner's Counsel and PHA's Counsel. A template containing HUD-required language is available on www.radresource.net.
16	Rental Schedule - HUD Form 92458	Always applicable	Available for download on HUDCLIPS
17	Project Owner's/Management Agent's Certification - HUD Form 9839	Always applicable	<ul style="list-style-type: none"> Available for download on HUDCLIPS Be sure to select the correct version (9839-A, 9839-B or 9839-C) depending on your Management Agent structure. Discuss any questions with your assigned Multifamily Account Executive.
18	Management Entity Profile - HUD Form 9832	Always applicable	Available for download on HUDCLIPS
19	Property Management Agreement	Required on all conversions unless self-managed.	Include a copy of the agreement in the draft closing package.
20	Evidence of Required Amount of Fidelity Bond Coverage	Always applicable	See HUD Handbook 4381.5, Section 2.14 for requirements
21	Tenant Leases	Always applicable	<ul style="list-style-type: none"> Provide the form of lease and any addendums Use the HUD Form Model Lease (Form HUD-90105a). Available for download on HUDCLIPS Appendix 1E of the RAD Notice must be attached as part of the "House Rules" and must control notwithstanding any other provision of the lease. Must not contain provisions challenging RAD's tenant rights of return and grievance procedures Prior to package submission, consult with Recap on HUD's current guidance related to Tenant Leases
22	RAD Delayed Conversion Agreement (PBRA) (formerly known as the New Construction Agreement)	For conversions in which the assistance is being transferred to a new site and tenants will remain in their current units until construction of the new site is completed. In this scenario, a PHA may choose a Delayed Conversion Agreement (#22) or Master Lease/Tenancy Addendum (#23).	<ul style="list-style-type: none"> The existing public housing units will continue to receive public housing subsidy and remain subject to PIH requirements until construction is complete. The PBRA HAP contract is not executed at closing; it is executed and becomes effective at the time that tenants transfer to the new site. The PHA/Owner should still submit a copy of the RAD PBRA HAP Contract and all exhibits for review as part of the draft closing package (as exhibits to the Delayed Conversion Agreement). Although the HAP contract is not executed at closing, the RAD Use Agreement is recorded against the Covered Project at closing. The Converting Project's DOTs are not released. The required Delayed Conversion Agreement template is available on www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

23	Master Lease/Tenancy Addendum	<p>For conversions in which the assistance is being transferred to a new site and tenants will remain in their current units until construction of the new site is completed. In this scenario, a PHA may choose a Delayed Conversion Agreement (#22) or Master Lease/Tenancy Addendum (#23).</p>	<ul style="list-style-type: none"> • In transactions involving new construction and a transfer of assistance, if residents are remaining in the Converting Project until the Covered Project is constructed, the parties may elect to enter into a Master Lease between the PHA and Project Owner for leasing the Converting Project. (The other option for this scenario is execution of a Delayed Conversion Agreement – see above) • Under the Master Lease, the RAD conversion occurs at closing, the Converting Project’s dwelling units are removed from PIC at closing and a HAP contract is entered into at the time of closing. • Through the Master Lease, the Project Owner leases the tenants’ units from the PHA and then subleases the units to the tenants (who are now Section 8 tenants). • There is a HUD-approved Master Lease template. A Tenancy Addendum may be used in lieu of a Master Lease. • The PHA should be aware of the limitations on the use of federal funds created by use of the Master Lease structure. For example, if there is an indemnification provision, the PHA cannot use federal funds to fulfill those obligations.
24	Organizational Documents for New Ownership Entity <ol style="list-style-type: none"> Organizational chart & List of Key Partners/Principals Articles of Organization; By-Laws; Partnership Agreement (as applicable) Certificate of Existence, Certificate of Good Standing, or similar document from the Secretary of State providing the legal name of the Project Owner. 	<p>Required when the Covered Project Owner is not the PHA; even if the PHA is transferring ownership to an instrumentality, the instrumentality’s ownership documents must be provided.</p>	<ul style="list-style-type: none"> • The entity must be validly formed and its term of existence must be at least as long as the HAP contract. • With the exception of LIHTC deals, the organizational documents must establish PHA or non-profit ownership/control. This statutory requirement is satisfied if: <ul style="list-style-type: none"> ○ The PHA is retaining ownership of the project. ○ The Project Owner is an entity in which the PHA is the sole owner or member. ○ The Project Owner is organized as a nonprofit entity (it need not be a 501(c)(3) entity). • In LIHTC deals, PHA control may be established through the owner’s organizational documents or the ground lease. <ul style="list-style-type: none"> ○ If control is established through the organizational structure, use the HUD required provisions. (Note: these provisions are distinct from the provisions that must be included in the organizational documents for FHA deals) ○ If control is established through a ground lease, the ground lease must contain the ground lease control provisions available on the RAD Resource Desk. ○ Discuss any proposed alternative method of establishing PHA control with HUD Field Counsel prior to submission of a draft closing package.
25	Amendments/Releases of Existing Mixed Finance Documents (if applicable) <ol style="list-style-type: none"> Release of Declaration of Restrictive Covenants (DORC) Termination of Mixed Finance Amendment to the ACC Termination of Regulatory and Operating Agreement (R & O Agreement) Lender and PHA Subordination Agreements (if applicable) 	<p>Applicable where the Converting Project is an existing Mixed Finance Project.</p>	<ul style="list-style-type: none"> • For DORC Releases, follow the procedure and requirements discussed above for DOT Releases. • The Termination of the Mixed Finance Amendment to the ACC is signed by the appropriate PIH Field Office. Once the draft documents have been deemed legally acceptable, your RAD Closing Coordinator will work with the PIH Field Office to obtain the appropriate signature. • If there is a partial conversion of a Mixed Finance Project, with some of the project’s units remaining as public housing, the MF Amendment is <i>not</i> terminated; instead, an amendment must be prepared in HQ’s Office of Public Housing Investments. • Termination of the ACC Amendment and Termination of the R & O Agreement are posted to www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

26	Deed	Applicable if title to the property is being conveyed.	<ul style="list-style-type: none"> • When the deed conveys fee simple to the Covered Project Owner, it can contain no reversionary clauses, conditions subsequent or similar provisions; the deed must be for fee simple unless the PHA is ground leasing the land to the Covered Project Owner and simply deeding the improvements. • The deed cannot be a Quitclaim Deed. • The legal description must match the title policy/title report and RAD Use Agreement.
27	Ground Lease and Memorandum of Ground Lease	Applicable if the property will be subject to a ground lease.	<ul style="list-style-type: none"> • If the Ground Lease is not recorded, submit both the Ground Lease and a Memo of Ground Lease. • Use the HUD-required provisions. • The legal description must match the title policy/title report and RAD Use Agreement. • The Ground Lease must be subordinated to the RAD Use Agreement in accordance with HUD requirements. • In deals where the Covered Project is already covered by a ground lease, the lease must be amended to include the HUD-required provisions unless otherwise approved by HUD. • The lease term must be at least as long as the HAP contract.
28	Evidence of Payoff, Release or Subordination of Existing Debt	Required if there is an existing EPC, CFFP, OFFP, or other form of debt that will be paid off or subordinated at closing.	<ul style="list-style-type: none"> • Provide evidence that the existing debt has been or will be paid off in conjunction with RAD closing. Existing debt being paid off in conjunction with the RAD closing should be shown on the Sources & Uses. • If existing debt is not being paid off at or prior to closing, the debt must be subordinated to the RAD Use Agreement in conformance with HUD guidance. • See the HUD-approved Subordination Agreement form on www.radresource.net.
29	Restrictive Covenants and Land Use Restrictions	Applicable in all deals with land restrictions	<ul style="list-style-type: none"> • Restrictions must be subordinate to the RAD Use Agreement • For non-FHA transactions, use the HUD-approved RAD Subordination Agreement or ensure that the substantive provisions of the template are included in the Restrictive Covenants document. • Restrictions cannot impact the right of tenants to remain in or return to the property after conversion • <i>For FHA transactions, use the FHA Subordination Agreement or other appropriate form per FHA requirements</i>
30	General Depository Agreement - GDA (Form 51999) Latest version of GDA form is dated 10/2014	Required if Public Housing funds are being used as a source of funds and not being disbursed to Project Owner for an approved use at closing.	<ul style="list-style-type: none"> • Consult your RAD Closing Coordinator for specific guidance and requirements. • Public Housing funds used in the transaction must be shown on the Sources and Uses and are subject to a GDA until they are disbursed for the approved use. Once disbursed, the funds need not be subject to a GDA. • Once the funds are transferred from an account held by the PHA to an account held by the Project Owner, such funds are considered disbursed for purposes of whether a GDA is required. • Until disbursed, public housing funds to be used in the transaction must be held in a segregated account or sub-account. If such account is already subject to a GDA, no new GDA is required. • If a new GDA is required, no changes to the HUD form are permitted. • No changes to the HUD form are permitted, other than those allowed for in the form itself. • <i>Not required for transactions with FHA financing. Follow FHA guidelines.</i>

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

31	First Mortgage Financing Documentation: a) Note b) Mortgage/Deed of Trust c) Intercreditor / Subordination Agreement	Required for all conversions obtaining first mortgage financing.	<ul style="list-style-type: none"> • New financing documents must be recorded after and explicitly subordinated to the RAD Use Agreement • For non-FHA transactions, use the HUD-approved RAD Subordination Agreement or ensure the substantive provisions of the template are included in the appropriate debt documents. • <i>In FHA-RAD deals:</i> <ul style="list-style-type: none"> ○ Use the appropriate form of HUD-approved subordination agreement or rider for FHA transactions. ○ The RAD Use Agreement shall be recorded before the HUD-insured mortgage. ○ In FHA-RAD deals, all financing must comply with all FHA requirements. • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved.
32	New Junior Debt Supporting Documentation a) Note b) Mortgage/Deed of Trust c) Intercreditor / Subordination Agreement	Required for all conversions with secondary financing or junior debt previously approved in the RAD Financing Plan.	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the Note, Mortgage/Deed of Trust, and Intercreditor/Subordination Agreement, no additional documentation is needed to be submitted in the draft closing package.
33	Bond Financing Documentation a) Documentation that issuance of the bonds has been authorized b) Firm Commitment to purchase the bonds	Required for all conversions utilizing bond financing	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the documentation regarding issuance and the firm commitment, no additional documentation is needed to be submitted in the draft closing package.
34	LIHTC Equity Documentation a) Equity Commitment, including the pay-in schedule b) LIHTC Reservation Letter	Required for all conversions involving tax credits.	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the reservation letter and equity commitment, no additional documentation is needed to be submitted in the draft closing package.
35	New Construction or Substantial Rehabilitation Documentation a) Evidence that the General Contractor has obtained either (i) a payment and performance bond from a properly licensed surety or (ii) a letter of credit b) Owner Completion Guarantee Agreement	New Construction or Substantial Rehabilitation only.	

Rental Assistance Demonstration Closing Overview & Checklist: Project Based

Rental Assistance (PBRA) Conversions

36	HUD Form(s) 50075.1 with Budget Line Item 1504	Required on all conversions that use PH Capital Funds in the development budget	<ul style="list-style-type: none"> • Required before Closing as soon as a final Sources and Uses is available. • Submit to your Closing Coordinator the HUD Form(s) 50075.1 with BLI 1504 manually added that matches the amount of Capital Funds listed as a source in the final executed Sources and Uses. This is to ensure that the Capital Funds used in the Development budget will be available at closing. Note that only prior year Capital Funds can be utilized in this manner and you must submit one form per Capital Fund grant year. • Please see “RAD Initial Year Funding Process Instructions” on the Resource Desk for further information.
IMMEDIATELY AFTER CLOSING- ADDITIONAL REQUIRED STEPS			
37	HUD Form 50075.1 with Budget Line Item 1503 and Initial Year Funding Tool(s)	Required on all conversions	<ul style="list-style-type: none"> • Required immediately after Closing in order to access the final public housing subsidy from Capital Funds that will be available for the converted property for the remainder of the calendar year in which a HAP contract becomes effective • Complete the HUD Form 50075.1 with BLI 1503 manually entered • Complete the Initial Year Funding Tool(s) with the correct HAP effective date • Send to your Closing Coordinator within 3 business days of recording. • Operating funds are not to be included on the 50075.1. Please see “RAD Initial Year Funding Process Instructions” and the “RAD Initial Year Funding Tool” on the Resource Desk for further information.
38	Form 50058 End of Participation (EOP)	Required on all conversions unless there is a Delayed Conversion Agreement; contact the Closing Coordinator for applicability.	<ul style="list-style-type: none"> • Required within 5 business days after Closing. • Provide confirmation via email to the Closing Coordinator that Form-50058 EOP has been submitted. In order for HUD to remove the applicable units from the Public Housing Information Center (PIC), a Form-50058 End of Participation (EOP) for the public housing program for all residents still living at the property at RAD conversion must be submitted into PIC. The 50058 EOP must be effective for each resident on the last day of the month before the new HAP will be effective. For example, a property that will have an October 1 HAP effective date should submit EOPs effective September 30 for all residents still living at the property.
39	Recorded Release of Declaration of Trust, Use Agreement, and HAP Contract (copies)	Required on all conversions	<ul style="list-style-type: none"> • A PDF of the recorded Release of Declaration of Trust, Use Agreement, HAP contract, final executed Sources & Uses, fully executed RCC Amendment(s), and any other documents identified by HUD must be submitted via email to the Closing Coordinator within 3 business days after recording.
40	Post-Closing Docket	Required on all conversions	<ul style="list-style-type: none"> • HUD requests that Post-Closing Dockets be submitted via www.radresource.net within 30 days of Closing. • See the Post Closing Instructions on www.radresource.net for details
41	Reminder – PIH Close Out and FDS Reporting Requirements for RAD Projects	Required on all conversions	<ul style="list-style-type: none"> • Projects converting to RAD will experience a series of reporting changes based on the timing of the conversion. Please see PIH-REAC PHA Financing Accounting Brief #2: FDS Reporting Requirements for Projects Converting Under RAD. A copy can be found in the Document Library on www.radresource.net. • PHAs who are converting their last remaining Public Housing units will need to work with their PIH Field Office on closing out of Public Housing. Please consult PIH Notice 2016-23

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

Part 4: Instructions for Uploading the Draft Closing Package to RAD Resource Desk

The draft closing package submitted to your RAD Closing Coordinator must be uploaded to www.radresource.net. Note that your assigned HUD Field Counsel must receive a copy of the same draft closing package per his or her instructions (email, CD, hardcopy, etc). Consult your HUD Field Counsel for his or her submission preferences.

1. Login to www.radresource.net. Note that you will need upload access in order to upload documents.
2. Navigate to the **My Properties with CHAPs Issued** card and click on the property name. It's status should say **RCC Issued**.
3. The closing page will open. Use the **Go To** navigation option in the menu at the top and select **Closing Document Upload** OR scroll down the page until you see the green heading that says **Closing Document Upload – PBRA**.
4. The grid is aligned to the PBRA Closing Checklist. Upload each item shown on the grid using the **Browse** and **Upload** buttons. For any items that are not applicable to your closing, select N/A. You can input comments that you'd like your RAD Closing Coordinator to see in the **PHA/Owner Comments** field. You must click **Save for Later** (located at the bottom of the page) for your comments to save.
5. If you have uploaded ALL of the applicable documents and are ready to notify your RAD Closing Coordinator that the package is ready for his or her review, click the red button that says **Submit Closing Package**. If you are not ready to make the submission yet and wish to continue working on it, click **Save for Later**.
6. Email resourcedesk@radresource.net with any upload questions or issues.