

Targeted Affordable Housing Bond Credit Enhancement Mortgage and Tax-Exempt Loans Full Underwriting Checklist

Exhibit 1: Underwriting Checklists (06/25/20) Section 1.29

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

- Application fee
- Quote
- 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 Required 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 required¹
- Rent roll – certified, dated within 30 days of package submission
- 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)
- Appraisal

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

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- For Properties with problematic materials, equipment and systems (i.e. aluminum wiring, galvanized steel, polybutylene piping, etc¹):
 - Certification from the appraiser that the problematic materials, equipment and systems were considered in the valuation of the Property (can be documented in the Appraisal)
 - Evidence that there is no exclusion in the hazard insurance policy for damage caused by the problematic materials, equipment or systems (can be documented on the ACORD, certificate of insurance or other equivalent documentation)
- Environmental report
- Property condition report
- Green Report – Form 1106, if applicable
- Photographs
- Cooperative analysis, if applicable
- Zoning documentation, including certificates of occupancy (if not available, the zoning report must contain the language specified in Section 8.5)
- 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
- Certified Organizational Charts for Borrower, guarantor (not in Borrower's organizational structure), Master Tenant, or Operator along with Certification – Organizational Chart, Form 1114
- Equity 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
- Real estate tax bill
- EPA Energy Star Score, when required for Green Rebate

¹ See Section 62.5(c) for additional information about problematic materials, equipment and systems

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- Green Building Certificate, if applicable
- Purchase agreement and analysis
- Calculation of prepayment premium, if applicable for a refinance
- Breakdown of construction costs – certified, for a Property that was built by the Borrower less than one year before the submission of the underwriting package
- Seismic risk documentation, if required by Chapter 64
- Regulatory agreements and amendments
- For a LIHTC Property utilizing the Income Averaging Set-Aside, LIHTC Compliance/Monitoring documentation
- Summary of interest rate hedge terms
- Certification Regarding Payment of Fees and Expenses of Freddie Mac's Outside Counsel
- Bond/TEL distribution list
- Proposed transaction schedule
- 501(c)(3) Due Diligence Checklist, if the bonds or the TEL is issued under Section 501(c)(3) of the IRC
- Condominium analysis, if the Mortgage is subject to a condominium regime (may be included in the Mortgage transaction narrative analysis)
- For Preservation Rehabilitation Mortgages, if required:
 - Pre-construction analysis report, instead of the property condition report
 - Renovation documentation
- Additional documentation, as required by Freddie Mac