



PRE-CLOSING REVIEW

Awarded Projects shall submit a request in the online Application for IFA's review and approval of the final proposed funding sources and Project costs approximately two weeks prior to closing. **Do not proceed to closing without IFA's written approval.**

Following completion of the reservation period (30-day period following date of award letter), the Application "stage" becomes Pre-Closing Review InWork. Upon IFA's approval of the Pre-Closing Review, the Application "stage" moves to Carryover InWork. If a delay in closing is experienced and the Owner must submit the Carryover-Ten Percent (10%) Test Application Package **prior** to the Pre-Closing Review, notify IFA at housingtaxcredits@iowafinance.com that the Application "stage" needs moved to Carryover InWork in order to meet the required Carryover-Ten Percent (10%) Test Application submission due date. **The Owner is solely responsible for this notification to IFA.**

Update the Application specifically for the Pre-Closing Review and LURA issuance. In addition to the funding sources, expenses, and costs that may require updating for the Pre-Closing, the following should be completed as well:

- Enter the Project's legal description on the Site Description Tab. Ensure legal description matches warranty deed, if applicable, and Iowa Title Guaranty documents.
- Enter the correct building addresses on the Buildings Tab – TBD or approximate addresses are not acceptable for the LURA.
- Update the Ownership Entity Components on the Ownership Entity Tab to match the draft partnership documents. If a special limited partner has been included in the draft partnership documents, enter this as well.
- Update the Syndicator/Direct Investor on the Qualified Development Team Tab (if applicable). The member type should be correct – either syndicator or direct investor.
- Enter name of Special Limited Partner on the Qualified Development Team Tab (if applicable).

IFA shall review the Application only for Pre-Closing Review items (includes LURA issuance) and the approval is strictly for the Pre-Closing Review. Allowable Application changes set forth in QAP Sections 8.2 and 8.3 shall be submitted through the "Request a Change" Tab in the online Application and NOT included in the Pre-Closing Review. Any known changes to the Project resulting from the plan and specifications should be submitted to IFA through the Change in Application process in the online Application prior to the pre-closing as the LURA will be recorded as part of the closing. If a change to the Project occurs after closing and the LURA has been recorded, the Owner will be billed for LURA Amendment(s). IFA has limited the entry of information in the Application for the specific purposes of the Pre-Closing Review and issuance of the LURA.

If the LURA cannot be issued and recorded as part of the pre-closing, IFA will issue the LURA approximately 60-90 days after IFA's issuance of the 10% Test Met Letter.

A. SUBMISSION

1. Log in to the online Application.
2. On the Application Section and Management screen, select view the applicable Project Application ("Application").
3. Confirm Pre-Closing Review InWork is listed as the Application "stage".
4. Enter Application updates specifically for the Pre-Closing Review and for the LURA issuance. The following are editable Tabs for the Pre-Closing Review:
 - Site Description – legal description, total site acreage
 - Funding Sources
 - Projected Operating Expenses
 - Projected Cash Flow
 - Costs and Credit Calc.
 - Buildings (rent and/or utility allowance amounts and addresses only)
 - Ownership Entity Tab (contact name updates and Ownership Entity Components)



- Qualified Development Team Tab – Syndicator/Direct Investor Tab and ability to add Special Limited Partner, if applicable.
5. Upload the following to the Exhibits Tab:
- Exhibit 4PCR– Draft Partnership Documents (Operating Agreement of Limited Partnership Agreement)
 - Exhibit 5PCR – Documentation of Enforceable Financing Commitments
 - Exhibit 6PCR – Documentation of Current Status of All Other Sources of Funds
 - Exhibit 9PCR – Iowa Title Guaranty Title Commitment
 - Exhibit 21PCR – Utility allowance documentation or HUD Rent Schedule (if applicable)
6. Select “submit”.

B. DEFICIENCIES AND APPROVAL

1. IFA will request additional documentation and/or clarifications through email, if applicable.
2. IFA’s approval letter shall be provided by email.

**EXHIBIT 5PCR - 5C - SAMPLE FINANCING COMMITMENT REQUIRED BY IFA
2020 PRECLOSING REVIEW AND 10% TEST FOR CARRYOVER ALLOCATION**

The lender may use their own format, but it **must be on lender's letterhead** (including name, address and phone number), contain the required information, and be signed.

Date:

Borrower:

Lender has approved a(n) _____ loan to _____
(Type) *(Borrower)*
on the development known as _____ located at _____.
(Development Name) *(Address)*

Lender agrees to lend as follows:

1. Loan Amount and how it will be determined;
2. Interest Rate;
3. Loan Term;
4. Loan amortization period; (permanent lender)
5. Debt service coverage ratio; (permanent lender)
6. Description of interest only periods;
7. Loan Fees;
8. Prepayment penalties;
9. Anticipated security interest in the Property and lien position;
10. Collateral; and
11. Conditions precedent to funding*.

This commitment to fund will expire on _____.

Signature by Lender

*Examples of conditions that IFA deems to be "under the control of the sponsor" include, but are not limited to the following:

1. Approval of appraisal;
2. Approval of final plans and specifications;
3. Ability to meet financial requirements for closing the loan;
4. Representations and Warranties; and
5. Receipt of Low-Income Housing Tax Credits.

**EXHIBIT 6PCR - 6C - SAMPLE FINANCING COMMITMENT REQUIRED BY IFA
2020 PRECLOSING REVIEW AND 10% TEST FOR CARRYOVER ALLOCATION**

The lender/grantor may use their own format, but it **must be on funding source's letterhead** (including name, address and phone number), contain the required information, and be signed.

Date:

Borrower/Grantee:

Lender/grantor has approved a(n) _____ loan/award to _____
(Type) (Borrower)

on the development known as _____ located at _____.
(Development Name) (Address)

Lender/grantor agrees to lend as follows:

1. Loan/grant Amount and how it will be determined;
2. Interest Rate, if applicable;
3. Loan Term, if applicable;
4. Loan amortization period; (permanent lender)
5. Debt service coverage ratio; (permanent lender)
6. Description of interest only periods;
7. Loan Fees;
8. Collateral; and
9. Conditions precedent to funding*.

This commitment to fund will expire on _____.

Signature by Lender/grantor

*Examples of conditions that IFA deems to be "under the control of the sponsor" include, but are not limited to the following:

1. Approval of appraisal;
2. Approval of final plans and specifications;
3. Ability to meet financial requirements for closing the loan;
4. Representations and Warranties; and
5. Receipt of Low-Income Housing Tax Credits.