

HOME PROCESSES TUTORIAL

ACQUISITION & REHABILITATION

Non-Profit Acquisition of HOME Eligible Property

- ❑ Identify property and qualify potential homeowner OR if no buyer identified, submit exemption request form to THDA to Spec build.
- ❑ Send site specific Environmental Review (ERR) to your HOME Specialist for approval. See the ER-4 for guidance
 - <https://thda.org/business-partners/home-program-forms>
 - After your HOME Specialist has approved your ERR, they will prepare a Working Agreement for the specified project. Each individual project must be environmentally cleared with a site specific working agreement in place prior to acquisition.
- ❑ Send the Work Write Up to Dwayne Hicks at dhicks@thda.org for approval and coordinate a time for the initial inspection.

Project Set-Up for WIRE Request – Identified Buyer

- ❑ After the ERR has been approved, you will submit the following forms to your HOME Specialist for review, a minimum of **7-10 BUSINESS DAYS PRIOR TO CLOSE.**
- ❑ All HOME forms can be found at <https://thda.org/business-partners/home-program-forms>
 - FM-3
 - WIRE Instructions
 - THDA Underwriting tool
 - The Purchase Contract (between Grantee and Seller)
 - Appraisal
 - AQ-1 (Purchase Contract Addendum)
 - Closing Disclosure
 - Wire Instructions
 - FM-4
 - Attachment B for Working Agreement Prep (provided by HOME Specialist)
 - Warranty Deed (Legal Description)
 - Copy of Approved Initial Inspection

Project Set-Up for Speculative Building

- Exemption Request Form
- FM-3
- WIRE Instructions
- THDA Underwriting tool
- The Purchase Contract (between Grantee and Seller)
- Appraisal
- AQ-1 (Purchase Contract Addendum)
- Closing Disclosure
- Wire Instructions
- FM-4
- Attachment B for Working Agreement Prep (provided by HOME Specialist)
- Warranty Deed (Legal Description)
- Copy of Approved Initial Inspection

Legal Document Preparation

- THDA will prepare a Deed of Trust and a Restrictive Covenant to be put in place during the rehabilitation of the unit.
- The Legal documents will be sent via FedEx to the closing agent. Be sure to provide the correct address along with the WIRE instructions.
- Immediately following the closing, please provide a copy of the fully executed legal documents to your HOME Specialist.
- At the time of re-sale, your THDA Specialist will provide you a COPY of the release.

Interim Draw for Rehab

- ❑ Once your Rehab Coordinator has confirmed that the unit is 50% rehabilitated, they will contact Dwayne Hicks to conduct a Progress Inspection.
- ❑ Please send the THDA Approved Progress Inspection Report to your THDA Specialist along with the below listed forms:
 - FM-4 (please list hard costs for rehab and soft costs separately)
 - Change Orders (if applicable)
 - Invoices to support soft costs (if applicable)
 - LBP 4 (include inspection report, risk assessment, if applicable)
 - FM-5 certifying 60% complete

Final Draw for Rehab

- ❑ Once your Rehab Coordinator has confirmed that the unit is completed and you have received the approval of rehab by the local or State of TN codes official, your Rehab Coordinator will contact Dwayne Hicks to conduct a Final Inspection.
- ❑ Please send the THDA Approved Final Progress Inspection Report to your THDA Specialist along with the below listed forms:
 - FM-4
 - FM-7 (include a copy of the signed Certificate of Occupancy OR approval of rehab by a local codes official) – Payment will not be authorized without this document.
 - Invoices to support soft costs (if applicable)
 - Change Orders (if applicable)
 - FM8-HB
 - LBP Clearance Report (if applicable)

CLOSING Documents

- ❑ The Closing Documents must be sent independent of the Final Draw Request. The closing can take place only after all of the HOME funds have been drawn down:
 - Appraisal
 - Sales contract (between Grantee and home buyer)
 - Documentation of Homebuyer Education
 - Closing Disclosure
 - HB-5

- ❑ **THE UNIT MUST BE SOLD FOR THE AFTER REHAB APPRAISED VALUE**

Legal Documents

- Please inform your HOME Specialist of closing date so that the legal lien release can be obtained in a timely manner
- Your HOME Specialist will email a copy of the release to the closing agent. The grantee must provide THDA with copies of the final closing disclosure, and recorded note and DOT. Then THDA will FedEx the original release.