

Refinance Documentation-Tax Credits and Grants

Overview	<p>This Factsheet is provided to summarize documentation associated with a refinance of a Property that received resources from OHCS, including Low-Income Housing Tax Credits (LIHTC), Oregon Affordable Housing Tax Credits (OAHTC) and various grant program resources.</p> <p>It is getting more commonplace for Owners of affordable housing to refinance their primary loan to reduce operating expenses. When OHCS has also provided resources to the Property, documentation from OHCS may be necessary to complete the refinance process. If a transfer of ownership is also involved, refer to the Transfer of Ownership fact sheet for more information.</p>
Getting Started	<p>To start the refinance documentation process, provide the following:</p> <ol style="list-style-type: none"> (1) Contact OHCS staff listed below to briefly review the proposed refinance. (2) Clarify if refinance includes payment in full of an OAHTC related loan. (3) Preliminary Title Report, including escrow agent contact information. (4) Lender contact information (if Subordination Agreement needed). <p>➤ <i>OHCS requests a minimum 30-day notice prior to the estimated closing date.</i></p>
OHCS Response	<p>OHCS will provide the necessary documents to cover the resources provided by OHCS as required by the new lender. Depending on the document(s), OHCS, Lender and/or Owner/Borrower may have to sign. Draft documents will be provided to the Owner and/or Lender as soon as they are available. Final versions of the documents are subject to legal sufficiency review by the Department of Justice (OHCS' attorney). The OHCS documents have been standardized and are not generally open to modification. Any legal costs incurred by OHCS for modification will be billed and payable at closing. Once legal sufficiency is obtained, the original document(s) will be signed by OHCS and submitted to the escrow agent for execution by the parties. Documents can be counter-signed if prior approved by OHCS.</p> <p>Common refinance documents include:</p> <ul style="list-style-type: none"> ❖ Subordination Agreement ❖ HUD Rider ❖ Release of OAHTC (upon expiration of tax credits) <p>➤ <i>There is a \$500 document preparation charge applicable for a Subordination Agreement. Legal costs for modification to standard documents are in addition to this charge.</i></p>
For more information, please contact:	<p>Dolores Vance, Portfolio Loan Officer Salem: (503) 986-0966 Email: dolores.vance@oregon.gov</p>