

Transfer of Ownership – Tax Credits and Grants

Overview	<p>This Factsheet is provided for transfer of ownership transactions that include a change in the vesting of the real property (recording a deed) for Properties with tax credits and/or grant resources from OHCS (not for bond financed properties). Transfers must be approved by OHCS. The Buyer (also known as the “Successor Owner”) must assume the applicable restrictive covenants in writing. Common transfers include:</p> <ul style="list-style-type: none"> ❖ Related party transfer due to Post-15 LIHTC transfer or other event; and ❖ Non-related party transfer (sale or arm’s length transaction). <p>➤ <i>Owners are encouraged to contact OHCS as soon as marketing of the Property starts to review the transfer process and expectations before a transfer commences.</i></p>
Getting Started	<p>To start the transfer of ownership approval process, provide the following:</p> <ol style="list-style-type: none"> (1) Sale Threshold Requirement: Purchase and Sale Agreement (or similar document), including estimated closing date (2) Contact OHCS staff listed below to briefly review the proposed transfer. (3) Owner’s written request for approval of the proposed transaction (4) Preliminary Title Report, including escrow agent contact information (5) Attorney contact information (for both Owner and Buyer) (6) Buyer lender contact information (if Subordination Agreement needed) (7) Buyer contact information (8) Buyer entity documentation, including Tax ID Number (9) HUD-2530 approval (if HUD Section 8 contract) <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 assumption documents to cover the resources provided by OHCS. Most of the documents are signed by OHCS, the Owner and the Successor Owner. Draft documents will be provided to the parties as soon as they are available. Final versions of the documents are subject to legal sufficiency review by the Department of Justice (OHCS’ attorney). OHCS documents have been standardized and are not generally open to modification. Any legal costs incurred by OHCS for modifications will be billed and payable at closing. Once legal sufficiency is obtained, the original assumption 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>➤ <i>There is a \$500 document preparation charge applicable for each OHCS document required to complete the assumption/transfer process. Legal costs for modification to standard documents are in addition to this charge.</i></p>
Management Agent Information	<p>Transfer requests require submission of a completed Management Agent Packet, including current Resident Services Plan for review and approval by OHCS. The packet is required even if there is not a proposed change in the Management Agent or if the Buyer plans to be the Management Agent themselves. The packet is available through the OHCS website.</p>
For more information, please contact:	<p>Dolores Vance, Portfolio Loan Officer Salem: (503) 986-0966 Email: dolores.vance@oregon.gov</p>