



Transfer of Ownership and Assumption Application: Risk Sharing and Elderly/Disabled Loan Programs

Oregon Housing and Community Services (OHCS)

Andrea Bell
OHCS Executive Director



North Mall Office Building, 725 Summer St NE, Ste B, OR 97301-1266
(503) 986-2000, FAX (503) 986-2020, TTY (503) 986-7238
www.ohcs.oregon.gov



RISK SHARING LOAN PROGRAM ELDERLY/DISABLED LOAN PROGRAM

TRANSFER OF OWNERSHIP AND ASSUMPTION APPLICATION

- **Owners are encouraged to contact the Department as soon as marketing of the Project starts to review the transfer process and expectations before a sale commences.**

Department Contacts

Initial contact may be directed to Sherene Dennis, Senior Asset Management Analyst. The Department may request additional information or documentation to complete the underwriting of the assumption review.

❖ **Asset Management Team:**

Sherene Dennis, Sr. Asset Mgmt. Analyst	971-433-7897 / sherene.dennis@hcs.oregon.gov
Janiel Rae-Ryan, Sr. Asset Mgmt. Analyst	971-273-9900 / Janiel.Rae-Ryan@hcs.oregon.gov
John Cieri, Sr. Asset Mgmt. Analyst	971-701-9319 / John.Cieri@hcs.oregon.gov
Jodi Erickson, Sr. Asset Mgmt. Analyst	503-551-1589 / Jodi.Erickson@hcs.oregon.gov
Beth Gyde, Sr. Asset Mgmt Analyst	503-881-6637/ Beth.GYDE@hcs.oregon.gov
Chrislyn Prantl, Asst Director Portfolio Section.	971-720-3212 / chrislyn.PRANTL@hcs.oregn.gov

Introduction

The State of Oregon, acting by and through its Housing and Community Services Department ("Department" or "OHCS") provides below-market interest rate permanent mortgage loans for multifamily housing through the sale of tax-exempt bonds which are governed by both federal and state requirements.

The programs are designed to provide affordable housing for moderate, low, and very low-income Oregonians. The loan programs have similar requirements. However, the Risk Sharing program has additional requirements from Housing and Urban Development (HUD). The programs consist of:

- ❖ **Risk Sharing Loan Program**
- ❖ **Elderly/Disabled Loan Program**

The Department is responsible for underwriting requests for transfer of ownership and/or loan assumption to determine whether the Project and proposed new Ownership entity and the proposed management agent meet program requirements and Department guidelines. Department staff assist the Owner, Buyer, and Management Agent through the assumption process. When all required documentation is received, accepted and approved, Department staff will provide assumption documents and coordinate escrow closing with the Owner, Buyer, and Management Agent.

Note: Quite often Projects with OHCS loans also have Low Income Housing Tax Credits (LIHTC) or other OHCS funding sources. Any other OHCS funding source will also be included in the request for loan assumption. Additional assumption documents will apply.

Pre-application Process for Buyers

Buyer Pre-Application Meeting

Prior to applying to the Department, the Buyer is required to meet personally with Asset Management staff to review program requirements and the assumption process. The purpose of the meeting is to assist the Buyer to initially become acquainted with the expectations of owning a low-income housing project with tax exempt bond restrictions, plus other programs that the project may be subject to, such as Low-Income Housing Tax Credit (LIHTC) restrictions. The meeting can be either through a conference call or in person at the Department's office in Salem.

Contact the Portfolio Loan Officer to schedule the Buyer Pre-Application Meeting.

Buyer Preparation for Meeting

The Buyer should prepare for the meeting by reviewing:

- ❖ **Loan Documents**
- ❖ **Property Inspection Reports (OHCS and HUD)**
- ❖ **Audited Financial Report**
- ❖ **Program Compliance (see OHCS website)**
- ❖ **Multifamily Loan Assumption Application**

The Department can provide copies of the Loan Documents, while the property inspection reports, and audited financial report must be provided by the Seller (or the Seller can authorize the Department in writing to release these documents to the Buyer directly).

Link to OHCS Compliance Monitoring:

<https://www.oregon.gov/ohcs/compliance-monitoring/pages/index.aspx>

Meeting Agenda

The meeting will consist of, but not limited to, the following subjects:

- ❖ **Management Agent selection and approval process**
- ❖ **Financial Restrictions**
- ❖ **Assumption Application Due Diligence**

Oregon Administrative Rules

The Oregon Administrative Rules define “Transfer of Ownership” for the bond programs are found under:

- OAR 813-012-0150 (Risk Sharing)
 - OAR 813-030-0066 (Elderly)
 - OAR 813-060-0061 (Disabled)
- (1) A Borrower or Eligible Borrower who has received a Program Loan or Commitment from the Department shall not transfer ownership, lease or otherwise encumber any property which serves or will serve as security for a Program Loan without prior written approval from the Department. Approval will not be unreasonably withheld.
 - (2) A transfer of ownership means a sale, conveyance, or other transfer of:
 - (a) Any interest of a general partner;
 - (b) Any interest in a joint venture;
 - (c) More than 25 percent of the limited partner's interest;
 - (d) More than 10 percent of a corporate owner's interest; or
 - (e) Any individual interest when the ownership is not a limited partnership, general partnership, joint venture or corporation.
 - (3) The Department may require a transfer application charge from owners of Projects that receive loans through the Department, who request the Department's approval of a change in Project ownership. The Department may require a transfer review charge to Project owners and transferees who effect a change in project ownership without prior written approval from the Department.
 - (4) A 100 percent transfer of ownership means a sale, conveyance, or other transfer of:
 - (a) All interest of a general partnership;
 - (b) All interest of a joint venture;
 - (c) All interest of a corporation;
 - (d) All general partners' interest in a limited partnership; or
 - (e) All individual interest of an ownership entity when the ownership entity is not a limited partnership, general partnership, joint venture or corporation.

Transfer Fees

The Loan Documents provide for an administrative transfer fee to the Department. Most Projects have language that provides for a fee of 1% of the original loan amount. Owners and Buyers should review the Loan Documents regarding the fee. ***A minimum of \$3,500 of the transfer fee is due upon assumption application and is non-refundable but will be credited to the balance of the fee due at closing of the specific transaction associated with the application.***

Note: Please contact the Loan Officer for a project-specific invoice prior to submitting the \$3,500 to the Department.

Prior Approval Required

The existing Loan Documents will specify that the Owner shall not transfer Ownership of real property which serves as security for the loan without prior written approval from the Department and that approval will not be unreasonably withheld. The Department's approval is documented through execution of the OHCS assumption documents, which are also signed by Owner and Buyer at closing. Parties involved in an assumption (e.g., Owner, Buyer, and Management Agent) are required to submit underwriting documentation and execute additional documents, as requested by the Department.

OHCS Existing Documents

The Owner shall provide copies of the existing OHCS documents to the Buyer so that they can become familiar with the regulatory requirements of the funding source(s). The Department can assist with providing this information to the Buyer upon the Owner's request.

Standard Assumption Documents

The Department has standard assumption documents that meet the needs of all parties involved. As such, the documents are not open to modification. Depending on the status of the Project, additional provisions or documents may be required. If non-Department liens affect the Project, the other lender may be required to subordinate and/or limit its lien remedies. Copies of sample documents will be forwarded to the parties during the underwriting process or upon request and should be reviewed by the Buyer to acquaint themselves with the program obligations. **Any modification to the assumption document(s) and any legal costs incurred by the Department will be billed and costs collected at closing.** These costs are in addition to the transfer charge. Any requests for modifications to the standard assumption documents should be discussed with the Portfolio Loan Officer during underwriting. The following are the basic loan assumption documents which will be provided to the Owner and Buyer prior to closing:

- ❖ Consent to Transfer (Assumption)*
- ❖ Uniform Commercial Code (UCC)
- ❖ Management Agreement
- ❖ Subordination (other financing)

*The Consent to Transfer includes all the loan documents, such as the Trust Deed, Promissory Note, Regulatory Agreement and Loan Agreement.

Site Control

Before the Department can start a project-specific review of an assumption request, the Owner and Buyer must have a written agreement, such as a Purchase and Sale Agreement. The agreement must allow adequate time for the Department (and HUD, if Risk Sharing Loan) to review and approve an assumption request. If the time frames are inadequate, the Department will require that an extension be completed which includes an acceptable time frame as determined by the Department.

Replacement Reserve Account

The Replacement Reserve account must remain with the Project. The Owner is encouraged to address this account with the Buyer prior to closing. A review of the Replacement Reserve requirements will be conducted by the Department during assumption underwriting. The Department will notify the buyer if a change in the monthly deposit is required, which will be documented in a modification to the Loan Document(s). The Replacement Reserve Schedule form is available through the OHCS website.

Compliance Review Report Findings

The Department performs regular compliance inspections and provides a written compliance review report to the Owner. Any compliance review findings, deferred maintenance, and/or repairs identified must be corrected by the Owner to the Department's satisfaction prior to assumption. Buyers are encouraged to review the latest compliance review report for more information. The report includes the following categories:

- ❖ General Appearance and Security
- ❖ Maintenance – Standard Operating Procedures
- ❖ Financial Management
- ❖ Leasing and Occupancy
- ❖ Tenant and Management Relations
- ❖ General Management Practices

Capital Needs Assessment (CNA)

In addition to the Compliance Review report, a Capital Needs Assessment (CNA) or other third-party physical inspection report acceptable to the Department is required. Health and Safety findings must be corrected immediately by the Owner. If other significant findings are found, but cannot be corrected or completed prior to assumption, the Owner's proceeds equal to one and one-half times (150%) of the bid or estimated cost of repairs may be held in escrow under the Department's control. At the Department's sole discretion, Replacement Reserve Account funds may be allocated for repairs. The site control agreement should clearly address repairs and deferred maintenance and how they will be corrected.

Estimate of Repairs

If repairs are identified in the Compliance Review Report, through a Capital Needs Assessment, or otherwise required by the Department, an estimate of the repairs shall be provided as part of the assumption underwriting process. The estimate shall be accompanied with a schedule to complete the repairs and the plan of funding.

OHCS Physical Inspection

Prior to closing, all repairs may be physically inspected by the Department to specifically verify they have been completed to the Department's satisfaction. The Department will coordinate the inspection date and time with the Owner.

Real and Personal Property Value

The Buyer is required to provide the Department with an Appraisal or other proof of value acceptable to the Department. The Appraisal must include the Income Approach as follows:

- ❖ Valuation at stabilized occupancy assuming market rents;
- ❖ Valuation at restricted rents, including the value of other benefits such as:
 - The interest rate is below-market rates and fixed for the term of the loan;
 - The loan term is generally 30 years with no prepayment allowed;
 - The loan may be assumed by a qualified buyer;
 - Property tax abatements;
 - Low Income Housing Tax Credits; and
 - Any other financially favorable benefits the project may be receiving.

Note: In order for the Appraisal to be acceptable to the Department, the Department must be named as an intended user in the report.

Subordinate Financing

For existing subordinate funding sources (non-OHCS), written transfer of Ownership approval from subordinate lenders or grant providers must be provided to the Department. For new subordinate financing, the Department must approve, and the lender must enter into a subordination agreement with the Department. This requirement also applies to grants or forgivable loans.

Title and Escrow

The transfer of Ownership is required to be closed at a title/escrow company. Provide the Department with a current preliminary title report (dated within the last 30 days) and escrow contact information (escrow company's name, escrow number, contact person, contact phone number, fax and email address). The Department will review the title report and notify the Owner of any unacceptable exceptions that must be removed prior to closing. A Standard ALTA Lender's Title policy in the approximate amount of the balance of the loan at assumption is required. Applicable transfer charges, title insurance premium, recording costs, escrow fees, and any other costs associated with the assumption will be collected through the escrow agent.

Owner Audited Financial Statements

Prior to approving a request for assumption, the required audited financial statement for the current fiscal year-end must be received by the Department. At the sole discretion of the Department, the review of the audited financial statement may have to be completed as part of the assumption approval process. Any adverse financial findings may require additional review or documentation, including but not limited to, a Department approved plan for the Owner to address any specific financial concerns.

An audited financial statement is required for the period extending from the last fiscal year-end for which audited statements were submitted to the date of transfer of Ownership. The statement must be submitted within sixty (60) days after closing in escrow. In order to secure the performance of this requirement, a minimum of \$10,000 of the Owner's proceeds will be held in escrow until the closing audit has been submitted and reviewed by the Department.

Owner Narrative Summary

A narrative summary of the transfer of Ownership, along with Owner and Buyer contact information shall be provided to the Department to initiate the request for assumption process. The summary form is included at the end of these guidelines.

Owner Profit & Loss Statement

The Owner must submit a Profit & Loss Statement for the Department's review. It is expected that the Buyer will operate the Project in the same manner as the Owner, unless directed otherwise by the Department. Any proposed changes to the financial structure or operation of the Project must be submitted to the Department in writing during underwriting. Approval of any changes is at the Department's sole discretion.

Buyer Financials

The Buyer may be required to submit financial documentation upon request by the Department. Financial documents may include, but are not limited to:

- ❖ Credit report (current report reflecting recent transactions)
- ❖ Current financial statements
- ❖ Tax Returns for past three years

Note: A newly formed entity may require individual members or partner's financials and credit reports. The specific requirements will be discussed at the Buyer Pre-Application Meeting.

Buyer Single-Asset Entity

An Oregon registered "Single-Asset Entity" status is required for the Buyer entity. **Note: When the Buyer is a governmental agency (such as a Housing Authority) the single-asset entity requirement might be waived at the Department's sole discretion.**

Buyer Nonprofit Entity May Be Required

If the original bond sale was specifically designated for 501(c)(3) corporations or if the LIHTC restrictions specifically require nonprofit ownership, all subsequent Buyers must also meet that requirement. The Project, along with all other Projects in the same bond sale, could become taxable or the LIHTC tax credits could be subject to recapture if the nonprofit requirement is not met. Applicable nonprofit documents must be submitted to verify the Buyer's nonprofit entity status, as follows:

- ❖ **Nonprofit Entity**
 - Articles of Incorporation
 - Bylaws with dissolution provision
 - State of Oregon filing
 - Borrowing Resolution
 - IRS 501(C)(3) status letter
 - Organization's Tax Identification Number (TIN)
 - Completed W9 form

Buyer For-Profit Entity Documents

Applicable documents must be submitted to verify the Buyer's entity status, as follows:

- ❖ **Partnership**
 - Partnership Agreement (General and/or Limited)
 - Borrowing Resolution
 - State of Oregon filing
 - Partnership's Tax Identification Number (TIN)
 - Completed W9 form
- ❖ **Limited Liability Company**
 - Operating Agreement
 - Articles of Organization
 - Borrowing Resolution
 - Manager Managed or Member Managed
 - State of Oregon Filing
 - Tax Identification Number (TIN)
 - Completed W9 form

❖ **Corporation**

- Articles of Incorporation
- Bylaws
- State of Oregon Filing
- Borrowing Resolution
- Corporation's Tax Identification Number (TIN)
- Completed W9 form
- Secretary's Certification for number of shares authorized, number of shares issued to whom and at what price

❖ **Governmental Entity**

- Resolution from Appointing Authority
- Bylaws
- Borrowing Resolution

Buyer and Management Agent Documents

❖ **Management Agent Packet**

Assumption requests include a review of the proposed Management Agent. The review is required even if there is no change in the Management Agent or if the Buyer plans to be the Management Agent. A completed Management Agent Packet (available through the OHCS website) must be submitted for review and approval to the Asset Management Section. If there is a separate management agreement between the Buyer and the Management Agent, submit a copy of that agreement also.

❖ **OHCS Management Agreement**

The Department requires an OHCS Management Agreement upon transfer of Ownership. The Department provides the Agreement as applicable to the management structure (i.e., agent managed, or Owner managed). The Agreement will be part of the assumption documents.

❖ **Resident Services Plan**

The Management Agent Packet includes the Resident Services Plan forms. The approved Resident Services Plan is included as an attachment to the OHCS Management Agreement.

Risk Sharing Only - Housing & Urban Development (HUD) Approval

For an assumption of a Risk Sharing loan, approval must be obtained from Housing and Urban Development (HUD). HUD's approval includes their HUD 2530 process which is initiated with HUD electronically. It is required for both the Buyer and the Management Agent (unless there is no change in the Management Agent). Establishment of the Buyer's single-asset entity is required prior to submitting the HUD 2530 request to HUD.

Low-Income Housing Tax Credits (LIHTC)

If the Project also has Low-Income Housing Tax Credits (LIHTC), the Buyer must meet program requirements including nonprofit status if applicable. Additional documents for LIHTC are required from the Buyer and are included in this packet (Certification Regarding Financial Solvency and Legal Status and Opinion of Transferee Counsel). The Owner and Buyer must enter into an agreement with the Department for the LIHTC restrictions which is recorded with the loan assumption documents.

APPLICATION CHECKLIST

- Site Control (i.e., Purchase & Sale Agreement)
- Preliminary Title Report (including escrow information)
- Application Contacts (see form)
- Non-refundable \$3,500 Transfer Fee deposit due with assumption application
- Invoice included with deposit

OWNER SPECIFIC:

- Audited Financial Statements (check box if current with Department)
- Profit & Loss Statement
- Owner Narrative Summary & Signature Block
- Owner’s Authorization
- Entity Document Authorizing Transfer (i.e., Board Resolution, etc.)

BUYER SPECIFIC:

- Pre-Application Meeting: Date completed _____
- Buyer’s Authorization & Signature Block
- Board Resolution to Purchase (or similar document)
- Single-Asset Entity Documentation
- Entity and Individual Financial Statements
- Management Agent Packet
- Capital Needs Assessment or other acceptable third-party inspection report
- Replacement Reserve Schedule (for remaining term of the loan)
- Appraisal or acceptable proof of value
- Subordinate Lender Documentation, if applicable
- Property Insurance Verification (can be provided at closing)
- LIHTC forms (if applicable)

Risk Sharing HUD Requirements:

- Approved Previous Participation Certification (HUD 2530) - (Buyer)
- Approved Previous Participation Certification (HUD 2530) - (Management Agent)

Oregon Housing & Community Services Department
Asset and Portfolio Management Section
725 Summer Street NE, Suite B
Salem OR 97301-1266

Application Contacts

Project Name _____
Project Address _____

OHCS Funding Sources _____

Owner Entity _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Buyer Entity _____
Address _____
City, State, Zip _____
Contact Name: _____
Contact Phone/Fax _____
Contact Email _____

Management Agent _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Title/Escrow Company _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Additional Application Contacts

If additional contacts need to be included in the assumption process, use this page to provide their information. Additional contacts may include be the Owner/Buyer attorney, Real Estate Agent, Consultant, Site Manager, etc. By providing additional contacts, the Department is authorized to include them in the assumption process (i.e., email, conference calls, etc.).

Contact Type: _____
Company _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Contact Type: _____
Company _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Contact Type: _____
Company _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

Contact Type: _____
Company _____
Address _____
City, State, Zip _____
Contact Name _____
Contact Phone/Fax _____
Contact Email _____

OWNER NARRATIVE SUMMARY

The Owner shall complete the following questions and attach verification as applicable.

1. Describe the Transfer of Ownership request (i.e., arms-length sale, related party transfer, etc.)
2. Describe any deferred maintenance and/or repairs that will be completed by the Owner prior to the transfer of Ownership (must be verified completed prior to closing).
3. Describe any changes/updates planned for the project prior to the transfer of Ownership (i.e., upgrading carpeting, changing management agent, etc.)
4. Indicate the estimated closing date of the transfer of Ownership. **NOTE: If HUD approval is required, please consider the additional time involved for approval.**

Owner Request for Approval to Transfer:

The undersigned, being duly authorized to submit this request for transfer of Ownership on behalf of the Owner, and that this request has been duly authorized, certifies that to the best of his/her knowledge, that the above information accurately describes the proposed transfer and hereby requests the Department's approval.

OWNER:

Owner Entity Name (Print or Type)

Date

Authorized Signor and Title

OWNER SIGNATURE BLOCK (as will show on assumption documents, including the authorized signor).

OWNER AUTHORIZATION

Owner: _____

Project Name: _____

Project Address: _____

By this action, the Owner accepts the responsibilities and requirements of any tax credit, grant and loan programs transfer of Ownership. In accordance with the corporation's by-laws, effective this date, authorization has been given by the Owner/Board of Directors to the following named parties:

- 1. To request approval for transfer of Ownership for programs, grants or loans in the Department.** The undersigned, being duly authorized to submit this request on behalf of the named Existing Owner hereby represents and certifies that all required documents will be submitted, and that the information provided, to the best of his/her knowledge, is true, complete, and accurately describes the proposed transfer of Ownership. The undersigned further authorizes the release of project information to Oregon Housing and Community Services ("Department" or "OHCS") from all financial partners disclosed and authorizes the Department to verify any information, including financial information, as required to complete its due diligence.

Signature	Title
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Print Name	Date
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- 2. To execute all forms and legal documents associated with tax credit, grant and loan programs (including the encumbrance of valuable property of the Owner's.**

Signature	Title
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Signature	Title
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Signed:

Buyer/ Board Chair Name	Signature
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Organization	Date
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BUYER AUTHORIZATION

Buyer: _____

Project Name: _____

Project Address: _____

By this action, the Buyer accepts the responsibilities and requirements of any tax credit, grant and loan programs transfer of Ownership. In accordance with the corporation's by-laws, effective this date, authorization has been given by the Board of Directors to the following named parties:

- 1. To request approval for transfer of Ownership for programs, grants or loans in the Department.** The undersigned, being duly authorized to submit this request on behalf of the named Buyer hereby represents and certifies that all required documents will be submitted, and that the information provided, to the best of his/her knowledge, is true, complete, and accurately describes the proposed transfer. The undersigned further authorizes the release of project information to Oregon Housing and Community Services ("Department" or "OHCS") from all financial partners disclosed and authorizes the Department to verify any information, including financial information, as required to complete its due diligence.

Signature	Title
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Print Name	Date
------------	------

- 2. To execute all forms and legal documents associated with tax credit, grant and loan programs (including the encumbrance of valuable property owned by the corporation).**

Signature	Title
-----------	-------

Signature	Title
-----------	-------

Signed:

Buyer/ Board Chair Name	Signature
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Organization	Date
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BUYER AUTHORIZATION – Continued

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF COPIES OF THE PROGRAM DOCUMENTS AND IS PREPARED TO ACCEPT AND COMPLY WITH THE TERMS OF THE DOCUMENTS AND ADDITIONAL PROVISIONS THAT THE DEPARTMENT MAY IMPOSE AS CONDITIONAL FOR TRANSFER OF OWNERSHIP APPROVAL.

Signature

Title

Date: _____

Signature

Title

Date: _____

BUYER SIGNATURE BLOCK (as will show on assumption documents, including the authorized signor).

LOW-INCOME HOUSING TAX CREDIT PROGRAM (LIHTC)
[LIHTC SPECIFIC FORMS FOLLOW]

Note: Do not submit LIHTC forms if they are not applicable to the project

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT

**LOW-INCOME HOUSING TAX CREDIT PROGRAM (LIHTC) CERTIFICATION
REGARDING FINANCIAL SOLVENCY AND LEGAL STATUS**

Project: _____ LIHTC No.: OR _____

Entity Name: _____

If executed as a General Partner or Managing Member, identify the Limited Partnership or Limited Liability Company above.

Note: This Certification must be completed by each of the following:

- **Limited Partnership**
- **Each General Partner**
- **Limited Liability Company**
- **Each Managing Member**

I, the Undersigned, being first duly sworn, hereby represent and certify under penalties of perjury that the information contained in this statement, including any attachments hereto, is true, correct, and complete. I further certify that I have the requisite authority to execute this certification. I am executing this certification as the:

_____ Limited Partnership	_____ General Partner
_____ Limited Liability Company	_____ Managing Member

The above Entity (check all that apply):

- _____ Has **not** filed a voluntary petition under federal or state bankruptcy laws.
- _____ Has **not** had a petition in bankruptcy filed against them that remained un-dismissed for ninety (90) days.
- _____ Has **not** made an assignment of all or a part of their assets for the benefit of a creditor.
- _____ Has **not** had all or a part of their assets seized by a judgment creditor.
- _____ Has **not** had a receiver or trustee appointed to administer all or a part of their assets.
- _____ Has **not** been a defendant in a foreclosure action or transferred an interest in real property by virtue of a deed in lieu of foreclosure.
- _____ Has **no** knowledge of any pending or threatened lawsuit(s) or claim(s) which have been raised against them.

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_____ Has **not** been considered to be in default in meeting federal, state or local requirements with regard to a Low-Income Housing Tax Credit project in Oregon or any other jurisdiction by a lender or financier, investor, or federal, state or local governmental agency.

_____ Has **not** been investigated, audited or examined by the Internal Revenue Service, Rural Housing Services (i.e., Farmers Home Administration) or U.S. Department of Housing and Urban Development (HUD).

For any of the above that are **not** checked, attach an explanation describing the circumstances, resolution and current status.

I further agree that I will notify the State of Oregon, acting by and through its Housing and Community Services Department of any changes in the situation or circumstances of the entity identified above which alters any of the certifications contained herein.

DATED this _____ day of _____, 20____.

Entity _____ Tax ID # _____

[State and type of entity]

By:

Its

[General Partner or Managing Member]

By (sign): _____

Title: _____

STATE OF _____)

: ss

County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, of _____, on behalf of _____.

NOTARY PUBLIC FOR _____

My Commission Expires: _____

LOW-INCOME HOUSING TAX CREDIT PROGRAM (LIHTC)

EXAMPLE

OPINION OF TRANSFEREE'S COUNSEL

[Counsel Letterhead]

[Date]

Oregon Housing and Community Services
Attn: Asset Management Section
700 Summer Street NE, Suite B
Salem, Oregon 97301-1266

We are counsel to [TRANSFEREE], a [_____] (the "Transferee"), in connection with the Transferor's contemplated acquisition of the real estate and improvements commonly known as [PROJECT NAME] located at [PROJECT ADDRESS], _____ County, State of Oregon, from [TRANSFEROR] (the "Transferor") (such acquisition, the "Transfer").

In such capacity, we have reviewed the organizational documents of the Transferor and the Transferee.

Based upon our review of the foregoing and examination of other records of the Transferor and Transferee and other documents, information, statutes and regulations as we have considered relevant and necessary to enable us to render this opinion, we are of the opinion that:

1. The Transferee is a [_____] validly existing under the laws of the state of [_____] _____], is in good standing under the laws governing its creation and existence and is duly authorized and qualified under the laws of the state of Oregon (the "State") to transact its business in the State.
2. The Consent to Assignment, Transfer, Assumption and Modification Agreement, Low-Income Housing Tax Credit ("Consent") to be executed by the Transferor, the Transferee and the State of Oregon, acting by and through its Housing and Community Services Department (the "Department") as required by the Department in connection with the Transfer will be duly authorized, executed and delivered by the Transferee and the performance and compliance with the terms thereof will not violate the instruments creating the Transferee.
3. The Consent is a valid, legal and bonding agreement enforceable in accordance with the terms against the Transferee and its successors, assigns, and transferees, except as enforcement thereof may be limited by applicable debtor relief laws.
4. The Transferee's execution of the Consent and compliance with the provisions of thereof will not conflict with or constitute a breach or default under any applicable law or administrative rule or regulation of the State of Oregon, the United States, or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order.

[Add applicable assumptions and qualifications.]

Sincerely,

[CONSEL ENTITY NAME AND SIGNATURE]