

OHFA is continuing to close projects while various orders and operational changes related to Covid-19 are in effect. Closing instructions for projects receiving HDAP and HDL funding are below. Partners should send any due diligence or closing materials to Marlo Tannous's attention at OHFA's main office (Ohio Housing Finance Agency, Attn: Marlo Tannous, 57 East Main Street, Columbus, Ohio 43215). Please make sure to identify the project to which those materials relate in any communication. More detailed closing instructions for each funding source are below:

HDAP Projects:

- 1) All loan documents related to closing should be fully executed before being sent to OHFA (except the loan documents that require an OHFA signature).
- 2) Any loan documents that must be recorded as part of the closing process and do not require an OHFA signature, such as a mortgage, mortgage assignment, restrictive covenant, or lienholder consent, must be executed and recorded before being sent to OHFA. PDFs of these recorded loan documents may be provided in lieu of originals. Any pdf of a recorded document related to a project must be emailed to Debbie Macioce at dmacioce@ohiohome.org.
- 3) Partners must include full, original copies of any loan document that requires an OHFA signature, such as the Loan Agreement or Pledge, Assignment, and Security Agreement. If a Partner chooses not to provide PDF copies of recorded documents, the originals should also be included. For reference, a complete closing packet will include all of the following:
 - a. 2 Party Transactions:
 - i. Original Instrument Required:
 1. Cognovit Promissory Note (executed by the HDAP Recipient/Borrower); and
 2. Loan Agreement (executed by the HDAP Recipient/Borrower).
 - ii. PDF of Recorded Instrument Acceptable In Lieu of Original:
 1. Original or PDF of Open-End Mortgage and Security Agreement (executed by the HDAP Recipient/Borrower and recorded in the relevant County Recorder's Office);
 2. Original or PDF of Declaration of Restrictive Covenants (executed by the HDAP Recipient/Borrower and recorded in the relevant County Recorder's Office); and
 3. If applicable, Consent of Recorded Lienholder to Mortgage and Restrictive Covenants (executed by the relevant lienholder and recorded in the relevant County Recorder's Office).
 - b. 3 Party Transactions
 - i. Original Instrument Required:
 1. Cognovit Promissory Note (executed by HDAP Recipient/Borrower in OHFA's favor);

2. Cognovit Promissory Note (executed by Project Owner in HDAP Recipient's/Borrower's favor);
 3. Loan Agreement (executed by the HDAP Recipient/Borrower and Project Owner); and
 4. Pledge, Assignment, and Security Agreement (executed by HDAP Recipient/Borrower and Project Owner).
- ii. PDF of Recorded Instrument Acceptable In Lieu of Original:
1. Open-End Mortgage and Security Agreement (executed by Project Owner and recorded in the relevant County Recorder's Office);
 2. Assignment of Open-End Mortgage and Security Agreement (executed by the HDAP Recipient/Borrower and recorded in the relevant County Recorder's Office);
 3. Declaration of Restrictive Covenants (executed by Project Owner and recorded in the relevant County Recorder's Office); and
 4. If applicable, Consent of Recorded Lienholder to Mortgage and Restrictive Covenants (executed by the relevant lienholder and recorded in the relevant County Recorder's Office).
- 4) As a reminder, any outstanding due diligence must be provided before closing. Generally, a PDF of any due diligence materials is acceptable but OHFA must have an original, fully executed copy of the Funding Agreement for the project before closing. Most Funding Agreements for HDAP projects are signed before due diligence is initially submitted except HOME projects which are executed during the closing process.
 - 5) If the HDAP Recipient/Borrower has requested a subordination agreement related to the project, that subordination agreement should be submitted and finalized in conjunction with the loan documents. The final version must be enclosed with the closing packet described above along with a FedEx or UPS prepaid and pre-addressed envelope. OHFA will return the executed subordination agreement based on the label provided. The HDAP Recipient/Borrower must provide OHFA with an electronic copy of the recorded subordination agreement once it is available.
 - 6) Copies of fully executed loan documents will be scanned and emailed to the HDAP Recipient/Borrower. Except for any applicable subordination agreement which will be returned to the HDAP Recipient/Borrower for recording, OHFA will retain the originals.

HDL Projects:

- 1) All loan documents related to closing should be fully executed before being sent to OHFA (except the loan documents that require an OHFA signature).
- 2) As a reminder, any outstanding due diligence must be provided before closing. Generally, a PDF of any due diligence materials is acceptable but an original copy of the asset being pledged as collateral, such as a Qualified Cognovit Investor Note, is required.
- 3) Partners must include full copies of the loan documents. A complete closing packet will include the following:
 - a. Direct Loan Agreement (executed by the Borrower);
 - b. Assignment and Security Agreement (executed by the Borrower and Investor Member/Limited Partner); and

c. Cognovit Promissory Note (executed by the Borrower.

- 4) Copies of fully executed loan documents will be scanned and emailed to the Borrower with OHFA retaining the originals.

NOTE: No blank fields should remain in the loan documents when they are sent to OHFA. Similarly, OHFA has a footer in the loan documents with the project tracking number, project name, and name of the document. That should be the only tracking information in the loan documents. Any additional tracking numbers added by counsel for the developer or investor should be removed.

Please be aware that OHFA is currently closing projects on a weekly basis. Arrangements are being made to sign loan documents on Fridays. All loan documents received prior to that Friday signing will be executed at that time so long as all necessary paperwork has been submitted. The funding for those HDL projects will occur the following Tuesday. Any questions about funding for HDAP projects, should be directed to Jim Evans or Sally Mitchell.