



Tennessee Housing Development Agency

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Executive Director

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MEMORANDUM

TO: All interested parties
FROM: Multifamily Development Division
SUBJECT: Section 1602/TCAP draw process and timing
DATE: March 31, 2010

When submitting draw requests for Section 1602 or TCAP funds, please bear in mind:

1. If Section 1602 or TCAP funds are to be available at a closing, a complete draw request package must be submitted to THDA no less than 15 business days prior to closing. THDA will not process a draw request for funding at closing until a mutually acceptable tentative closing date has been set.
2. Once a draw request package is submitted, you will be contacted as soon as possible if the draw request package is incomplete.
3. Once a draw request package is complete, plan on 10 business days for a transfer of funds to occur, either in connection with a closing or for a subsequent draw.
4. The most current draw request form and certifications, available from the THDA web site, should be used for each draw request.
5. The draw request package should be submitted all at once, not in pieces over time.
6. The draw request package must include general contractor lien waivers in the THDA format and for amounts no less than the THDA portion of the current draw request (i.e. lien waivers may not be submitted in arrears), together with a title downdate to the date of the draw showing no liens and a Dual Obligee Rider to the Payment and Performance Bond showing THDA as an additional obligee.
7. The draw request package must include an AIA Document G702 or HUD 92448 with an architect's certification in an amount no less than the total construction portion of the total draw request and copies of all inspection reports done in connection with submitting a draw request to the Senior Lender.
8. A draw request package will not be processed if there are outstanding issues with regard to a previously submitted draw request package, or in connection with closing documentation, or in connection with other documentation or issues under the TCAP or Section 1602 programs.

9. For draws when the Senior Financing involves HUD insurance, the draw request must be sent to THDA first. Once THDA approval is received the draw request must be submitted to HUD. Funding will occur after THDA receives notice that HUD has approved the draw and has instructed the private lender to fund.

If you have questions, please contact:

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Or

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