

RECORDKEEPING FOR ON-SITE REVIEW OF NON-PROFIT

In each property file, the agency must have the following:

- (1) Certified copy of the HUD-1 for the purchase from HUD, and a certified copy of the HUD-1 for the sale of the property to the purchaser.
- (2) Copy of a signed Land Use Restriction Addendum.
- (3) Income verification on the purchaser who bought from the non-profit. This can be in the form of a copy of W-2, pay stubs, employer verification, or tax returns. Record number of dependents to facilitate calculation of low- to moderate-income status.
- (4) Appraisal reports if property purchased as 203(k) or financed with 203(b) or other FHA insurance funds.
- (5) Rehabilitation documents should include:
 - (a) Work write-up/contractor estimate of repair costs
 - (b) * Draw Requests
 - (c) * Lien waivers
 - (d) Change orders
 - (e) Inspection of repairs by non-profit
 - (f) Invoices from contractors
 - (g) Copies of payments to contractors
 - (h) * Final Release Notice

**Required on 203(k) only*

(6) If property is leased under an approved Lease/Purchase Program:

- (a) Copies of executed lease
- (b) Income Verification
- (c) Evidence of pro-active work of non-profit to move tenants into homeownership
- (d) Appraisal or document from Independent 3rd party to determine Fair Market Rent.

The above information must be retained for 3 years after the property is sold by the nonprofit.

In addition to documents in each individual file, the following should be available for review:

- (1) Bank statements and monthly reconciliations for last 2 years.
- (2) Cancelled checks (front and back) for last 2 years
- (3) Last financial statement and evidence of funding sources
- (4) Rental ledger cards and evidence of receipts/deposits
- (5) General ledger entries for last 2 years
- (6) Contractor licenses and qualification records
- (7) Marketing Plan and evidence of marketing efforts
- (8) Affordable Housing Plan
- (9) Quality Control Plan and monitoring reports