



Property Loss Procedures

When a property sustains a loss due to an incident, fire, water damage, the immediate focus for the owner/manager is to ensure that the property is secure and that the tenants are properly informed of the status of the property and assisted with relocation to alternate housing if needed.

As soon as it is possible for the owner/manager to do so, they should contact the assigned Asset Manager at MaineHousing (“MH”) to report the incident with a follow up written summary of what occurred. Additionally, as information becomes available, MaineHousing should receive copies of any reports issued by local authorities and/or the insurance company.

MaineHousing will arrange for one of its Multifamily Building Analyst to visit the site and walk through with the manager.

As the process of reconstruction of the property begins please keep in mind the following key procedural requirements:

- The Insurance check is to be a two-party check payable to the Owner and MH.
- MH will hold insurance proceeds in a reconstruction escrow.
- If a Public Adjuster is used, payment will be made only from available insurance proceeds and only after reconstruction of the premises has been completed and paid for.
- MH must review the bid specifications prior to soliciting bids. (See Note below for exceptions to this requirement)
- Specifications need to meet all MH standards for construction.
- Contractors performing work in excess of \$200,000 may be required to obtain a performance and payment bond.
- MH will need to review the bids before the reconstruction job is awarded.
- The owner will need to sign a “reconstruction agreement” in connection with the escrow.
- The disbursement of insurance proceeds will follow MH’s standard requisition and retainage process. (Exhibit D – attached)
- If the property has project based Section 8, certain restrictions on payment of subsidy apply to units that are not habitable.

Note: Reasonable and justifiable emergency services do not require 3 bids and prior approval. Examples of emergency services fitting this description include necessary clean-up of water repairs or securing a building that has had structural damages.

The above procedures are in place to ensure quality and timely reconstruction of the premises.

INSTRUCTIONS TO PROPERTY OWNERS

Rehabilitation Escrow/Restricted Reserve Accounts

Attached are the various forms you will use when requesting reimbursement from the Maine State Housing Authority for materials used and/or work done on your project.

- 1) **Requisition**: This form needs to be completed and signed by you and the contractor, prior to requesting payment. The Multifamily Building Analyst assigned to your project will come to the site, do an inspection, and verify that the Requisition request is consistent with the work completed. The Multifamily Building Analyst will then deliver all applicable forms, with original signatures, to the Asset Manager at MaineHousing. If there is no General Contractor you must attach the appropriate invoices to cover your Requisition. If you are requesting reimbursement for payments you have made, the bills should be marked as such.
- 2) **Request for Release of Restricted Funds**: This form needs to be completed and signed by you when requesting funds out of restricted reserve account(s). A site inspection by the Multifamily Building Analyst may be required prior to approval and release of funds.
- 3) **Final Lien Release**: A Final Certificate and Lien Release is required to be completed prior to final payment for any contractor/subcontractor who supplied material or labor with a value greater than or equal to \$5,000.00 or any vendor who supplied materials greater than or equal to \$10,000.
- 4) **Change Orders**: Sometimes there is a change to the scope of work which results in a change in cost or time. When this occurs, it will be necessary to submit a Change Order to document the additional costs. Before any additional materials are purchased or any additional work completed, the Multifamily Building Analyst assigned to your project **must** approve the changes.
- 5) **Owner/Agency Certificate of Completion**: This form must be completed and signed when you submit your final Requisition for payment.

REQUISITION

1. Property address: _____

2. Developer's/Owner's Name: _____

3. Contractor's Name: _____

| | | | |
|------------------------|----------|-----------------------|--------------|
| | Request | Less 10% Retainage | Check Amount |
| 4. MH funds requested: | \$ _____ | - \$ _____ | = \$ _____ |

5. Total MH funds requested to date including this draw: \$ _____

6. Work covered in this payment: _____

Type of Payment: Progress Final

Payee(s): _____

CERTIFICATIONS

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this Application for Payment has been completed in accordance with the contract Documents, that all amounts have been paid to the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that the current payment shown herein is now due.

Contractor: _____ Date: _____

Developer: _____ Date: _____

MAINE STATE HOUSING AUTHORITY USE ONLY

MH Approval: _____ Date: _____
(Asset Manager or Multifamily Building Analyst)

NOTE: A signed MaineHousing "Contractor's final Certificate & Release" form **must** accompany every **final** Requisition.

RNUM _____

DREC _____

AM _____

DEVELOPMENT INFORMATION

PROJECT #: _____ **LOCATION:** _____

PROJECT NAME: _____

MANAGEMENT INFORMATION

NAME: _____ **CONTACT:** _____

ADDRESS: _____ **TEL #:** _____

REQUEST TO RELEASE FUNDS

I request authorization for the withdrawal of restricted funds for the reason indicated below.

REQUESTED BY: _____ DATE: _____

WITHDRAWAL

PAYMENT METHOD

Type of Reserve Account: REP TIR ODE Other: _____

Pay Property

Bank Name _____

Pay Vendor

Account Number _____

Transfer to Bank Acct

Balance Prior to Withdrawal/Deposit _____

Account # _____

Amount of Withdrawal/Deposit Requested _____

Process Date _____

Amount Approved by MaineHousing _____

Check # _____

REASON FOR WITHDRAWAL/USE OF FUNDS

(Use Additional Pages as Needed to Provide Documentation of Use of Funds)

Place a ✓ beside each item that is applicable to this transaction.

MaineHousing Final Lien Waiver for contracts over \$10,000 (*signed & notarized*)

Approval required from HUD or other entity

Other (Specify):

MaineHousing Use Only

Loan from Reserve Account (*attach repayment plan*)

Site Inspection may be required prior to approval & release of funds

TRANSACTION RECOMMENDED

TRANSACTION AUTHORIZED

Signature

Signature

Date: _____

Date: _____



FINAL CERTIFICATE AND LIEN RELEASE
for
CONTRACTORS / SUBCONTRACTORS / VENDORS

Any subcontractor who supplied material or labor with a value greater than or equal to \$5,000 or any material supplier who supplied materials with a value greater or equal to \$10,000 must complete this form.

PROJECT _____
ADDRESS _____

Contract/Subcontract Date: _____
Contract/Subcontract Amt: \$ _____
Contract/Subcontract for _____
(trade)

1. The undersigned certifies that there is due and payable under the above contract a final payment of \$_____.
2. The undersigned certifies that all work required under this contract has been performed in accordance with the terms of the contract and was completed on _____, 20__.
3. The undersigned certifies that, except as set forth above, there are no unpaid claims for materials, supplies or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the contract.
4. The undersigned releases any and all claims, other than for the final payment set forth above, arising under or by virtue of the contract and agrees to indemnify the Maine State Housing Authority and the owner against any such claims.
5. The undersigned has attached to this certificate all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

Contractor: _____
Signature: _____

Date: _____

State of Maine

County of _____, ss.

Date: _____

Personally appeared the above-named _____ and gave oath to the foregoing.
Before me,

Name
Notary Public of Maine/Attorney-at-Law
My Commission

Expires: _____



PROGRESS CERTIFICATE AND LIEN RELEASE

_____ (Name), being first duly sworn; disposes and says
he/she is _____ (office/title) of _____
_____ (company name), contractor for the rehabilitation/construction
of the property located at _____,
in _____, Maine.

The undersigned contractor states that all laborers employed by contractor upon the aforesaid premises have been fully paid and that all suppliers of material and contractors used by him/her/it have been fully paid and further that no such laborers, material against said premises and no financing statements, chattel mortgages, condition or bill of sale, security agreement, or retention of title agreement has been given or executed by the undersigned for or in connection with any material, appliances, machinery, fixtures or furnishing placed upon or installed in the aforesaid premises by the undersigned.

In consideration of the progress payment to be made to the undersigned in the amount of \$_____ pursuant to its contract, the undersigned do hereby waive any lien for all labor and material furnished by or through the undersigned pursuant to its contract at the above location.

The undersigned swears under penalty of law that he/she has read and understood this Certificate and that to the best of his/her knowledge and belief it is true.

Date: _____

Contractor: _____

Signature: _____

CHANGE ORDER FORM

PROJECT:
(name & address) _____ Change Order Number: _____
 _____ Initiation Date: _____
 _____ Contract For: _____

CONTRACTOR:
(name & address) _____ Contract Date: _____

You are directed to make the following changes in this Contract:
 Provide labor and materials as per quote dated: _____
 \$ _____
 \$ _____
 Total \$ _____

 Not valid until signed by the Owner, Architect and Construction Manager (when applicable), and MaineHousing Construction Analyst. Signature of the Contractor indicates agreement herewith, including any adjustment in the Contract Sum or Contract Time.

The original Contract Sum was \$ _____
 Net change by previously authorized Change Orders \$ _____
 The Contract Sum prior to this Change Order was \$ _____
 The Contract Sum cost will be: ___increased ___decreased ___unchanged \$ _____
 The new Contract Sum including this Change Order will be \$ _____
 The contract time will be ___increased ___decreased ___unchanged by ___Days
 The date of substantial completion as of the date of this Change Order therefore is _____

Recommended: _____ *Approved:* _____
 Construction Manager Architect

 Address Address

 By: _____ By: _____
 Signature Date Signature Date

Agreed To: _____
Contractor

Address

By: _____
Signature Date

Agreed To: _____
Owner

Address

By: _____
Signature Date

| |
|---|
| <p>MH APPROVAL: _____ Date</p> |
|---|

OWNER/AGENCY CERTIFICATE OF COMPLETION

Owner(s): _____

Property Address: _____

MH Project #: _____ Number of Units: _____

The undersigned Owner(s) certifies as follows:

1. The loan funds I have received from the Maine State Housing Authority to undertake property improvements have now been appropriately spent.
2. The improvements for which I used the money have been completed to my satisfaction and are the same improvements listed in Exhibit "A" of the Rehab Escrow or as listed in the Technical Services Document Sign Off, except as amended with the prior written consent of the Maine State Housing Authority.

The undersigned Owner(s) swears under penalty of law that he/she/they have read and understood this Certificate and that to the best of his/her/their knowledge and belief it is true.

OWNER:

By: _____ Date: _____
Name

By: _____ Date: _____
Name

APPROVAL BY MH:

By: _____ Date: _____

MAINE STATE HOUSING AUTHORITY USE ONLY

Final Escrow Draw occurred on: _____ Remaining Escrow Funds: _____
(date)

Recommended initial annual inspection: _____ Remaining funds to: _____