

## CHAPTER 30. MULTIFAMILY HOUSING BOND PROGRAM

### SUBCHAPTER 2. GENERAL PROVISIONS

#### **330:30-2-1. Purpose**

(a) The rules of this Chapter have been adopted for the purpose of complying with the provisions of the Administrative Procedures Act, 75 O.S., Section 250 et seq. This Chapter shall be applicable to Oklahoma Housing Finance Agency (OHFA) programs, transactions and activities relating to the financing of multifamily rental Developments with tax exempt bonds and/or taxable bonds MF Bonds).

(b) OHFA provides tax exempt and taxable financing for the acquisition, construction, and/or rehabilitation of rental housing Developments which satisfy the goals and requirements of OHFA, and comply with applicable federal and State law. In any given year, the ability of OHFA to provide tax-exempt financing for Developments is contingent upon receipt by OHFA of a tax-exempt bond allocation from the Council of Bond Oversight, through the State of Oklahoma annual private activity allocation.

#### **330:30-2-1.1. Authority**

OHFA derives its authority to issue MF Bonds from the Oklahoma Private Activity Bond Allocation Act (62 O.S. 695.21) and the Administrative Rules of the Council of Bond Oversight.

#### **330:30-2-1.2. Scope**

During each program year, MF Bonds will be made available to eligible entities for the purpose of implementing specific Developments that further the stated purpose of the MF Bond program. Eligible entities include, but are not limited to, for-profit Developers, non-profits, public agencies, Native American Tribes, and local governments.

#### **330:30-2-2. Definitions**

Masculine words, whenever used in this Chapter, shall include the feminine and neuter, and the singular includes the plural, unless otherwise specified. The following words or terms, when used in this Chapter shall have the following meaning, unless the context clearly indicates otherwise. Additional capitalized terms used in these Chapter 30 Rules are defined in the Code and these Chapter 30 Rules. When a conflict exists between the following definitions and the Code, the more restrictive meaning shall be applied.

**"Affiliate"** means any Person that directly or indirectly through one (1) or more intermediaries, Controls, is Controlled By, or is Under Common Control With any other Person.

**"Applicant"** means any Person and each Affiliate of such Person, which has submitted an Application to OHFA seeking financing under this Chapter. Applicant includes the Owner and Owner's predecessor in interest, if any, and includes any successor in interest, Transferee of all or any portion of the Development, and the heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, Transferee Owner or lessee (other than a Resident) of all or any portion of the Development, and any other Person or entity having any right, title, or interest in the Development.

**"Application"** means an Application, in the form prescribed by OHFA, from time to time, including all exhibits and other materials filed by an Applicant with OHFA in support, or in connection with financing under this Chapter.

**"Application Packet"** (referred to in these Rules as the "AP") means the Application in the form prescribed by OHFA annually, together with instructions and such other materials provided by OHFA to any Person requesting the same for the purpose of seeking to obtain from OHFA MF bonds. OHFA will solicit formal public input on the AP from interested parties, and provide explanation of any significant changes. Staff will present the following year's proposed AP to the Trustees for formal approval at a Trustees meeting. The AP may include definitive statements of what shall constitute Threshold Criteria, priorities, preferences, and compliance and monitoring requirements as may be authorized by or provided for in the Code and these Rules, and may include the necessary forms, instructions and requirements for Applications, market studies, Commitments, Agreements, elections, OHFA staff evaluation criteria for Threshold Criteria, compliance monitoring, and other matters deemed by Trustees, in their complete discretion, to be relevant to the process of evaluation of Applications and the Applicants in connection with the award or denial of MF Bonds.

**"Area Median Gross Income"** means the median Gross Income adjusted for household size, for the county or counties where each Building in a Development is located as determined and published annually by HUD.

**"Bond Documents"** means and may include, but is not limited to the bond purchase agreement, Preliminary Official Statement, the Official Statement and any other official documents of the Bond Indenture.

**"Bond Indenture" or "Bond Trust Indenture"** means the indenture of trust or other contract pursuant to which OHFA issues MF

Bonds or other forms of indebtedness to secure proceeds with which to finance the Development pursuant to this Chapter.

**"Borrower"** means the Person holding title to the Development and who is financially responsible to MF Bond holders through the Trustee Bank for repayment of the related MF Bonds secured by the Development.

**"Building"** means a property containing residential Housing Units located on the Land and included in the Development. In the event more than one Building is located on the Land, each Building must be treated as part of the Development.

**"Capital Needs Assessment"** (CNA) means a qualified professional's opinion of a property's current physical condition determined after a physical inspection of the interior and exterior of the units and structures.

**"Closing"** means the execution and delivery of the OHFA MF Bonds and the Bond Documents pursuant to, and in accordance with, the Final Resolution of the OHFA Trustees.

**"Code"** means the Internal Revenue Code of 1986, as amended and supplemented, together with applicable rules and regulations, revenue rulings, guidelines, releases, pronouncements, notices or procedures promulgated thereunder or referred to therein or in the applicable rules and regulations.

**"Compliance Period"** means the period commencing on the later of the first day on which at least ten percent (10%) of the residential rental units in the Development are occupied or the issue date of the Qualified 142(d) Bonds issued to acquire such facility and ending on the latest of the following: (A) the date that is fifteen years after the date on which at least fifty percent (50%) of the residential rental units in the Development are first occupied; (B) the first day on which no MF Bonds are outstanding.

**"Control"** (including the terms **"Controls"**, **"Controlling"**, **"Controlled By"**, and **"Under Common Control With"**) means the possession, directly or indirectly, or the power to direct or cause the direction of the management and policies of any other Person, whether through an ownership interest in the other Person, by contract, agreement, understanding, designation, office or position held in or with the other Person or in or with any other Person, or by coercion, or otherwise.

**"Developer"** means the Person or entity with the responsibility of ensuring the effective construction or rehabilitation of the Development, which may also be the Applicant and/or Owner of the Development. Developer also includes any other Person or organization affiliated with, Controlled by, in Control of or a related party to, the Developer, as determined by OHFA.

**"Development"** means the Land and one (1) or more Buildings, structures, or other improvements now or hereafter constructed

or located upon the Land. If more than one (1) Building is to be part of the Development, each Building must be financed under a common plan.

**"Development Team"** means the Applicant, Borrower, Developer, Owner, and the Affiliates and principals of each, the architect, general contractor, appraiser, market analyst, tax professional/accountant, attorney, consultant and property management company.

**"Due Date"** if a Due Date for submission of documents or fees falls on a weekend or a designated federal holiday, then the Due Date becomes the next business day.

**"Final Resolution" or "Financing Resolution"** means a Resolution duly approved and adopted by the Trustees approving a Development and its financing by OHFA. This Resolution may be combined with or represented by any other Resolution pertaining to the Development and its financing by OHFA, except the Inducement Resolution.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Inducement Resolution"** means a Resolution adopted by OHFA Trustees pertaining to a specific Development which must be approved and adopted by OHFA Trustees at a separate meeting not less than thirty (30) days prior to the adoption of the Final Resolution.

**"Land"** means the site(s) for each Building in the Development and having the legal description set forth described in the regulatory agreement.

**"OHFA"** means Oklahoma Housing Finance Agency, a State beneficiary public trust.

**"Nonprofit"** means a private Nonprofit organization that is organized under State or local laws; has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; is neither Controlled By, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization; has a tax exemption from the Internal Revenue Service under section 501(c) (3) or (4) of the Internal Revenue Code of 1986; does not include a public body; has among its purposes the provision of decent housing that is affordable to low-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws; and, has at least a one year history of providing affordable housing, and is duly qualified to do business within the State.

**"Owner"** means the legal Owner of record of the Development, as set forth in the regulatory agreement and any and all successors(s) in interest. Owner also means any other Person or entity having or acquiring any right, title, or interest in the Development.

**"Person"** means, without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, limited liability partnership, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality, Community Housing Development Organization (CHDO), interlocal cooperative, or other organization of any nature whatsoever, and shall include any two or more Persons acting in concert toward a common goal, or any other legally recognized entity, or any combination of the foregoing acting in concert.

**"Program Rules"** means the various written criteria, requirement, rules, and policies adopted from time to time by the Trustees to administer the MF Bond Program and to provide for issuance of OHFA MF bonds. The Program Rules must be followed by any participant in the Program. The Program Rules may include requirements that are more stringent than those under Code or other State requirements.

**"Qualifying Households"** means households whose annual Incomes do not exceed the elected area median family income set-aside required in the Code.

**"Rehabilitation Expenditures"** means amounts that are capitalized and incurred for the addition to or improvement of an existing Building of a character subject to the allowance for depreciation under Section 167 of the Code. However, it does not include the costs of acquiring a Building or an interest in it, for example, any Developer fee properly allocated in acquiring a Building or any other soft costs or any amount not permitted by the Code.

**"Resident"** means an individual or group of individuals (other than an Owner) residing in a housing unit.

**"Resolution"** means an official action by OHFA Trustees and may include all Resolutions adopted by the Trustees with respect to a Development.

**"Site Control"** means the exercise of dominion or Control over the property through the execution of a purchase, sale, or long-term lease agreement (with a lease term that exceeds the Compliance Period), receipt of a deed or conveyance of the Land where the Development will be located, or an option to purchase the property (where the option is not revocable on the part of the seller). OHFA alone will decide if an Applicant or Owner has obtained Site Control.

**"State"** means the State of Oklahoma.

**"Transfer"** means any sale, Transfer, merger, consolidation, liquidation, contribution, assignment, exchange or other change in all or part of the Ownership of the Land and/or Development or any Building which is a part thereof, whether voluntary or involuntary, and also includes: a Transfer, sale, contribution or

assignment by the Applicant, Owner or Developer of all or any part of its rights, title or interest in the Application, Credit, Land, Building and/or Development to another party; or a withdrawal, change or addition of any partner to a general partnership, general partner of a limited partnership, any party to a joint venture or the manager of a limited liability company.

**"Transferee"** means any and all successor(s) in interest of Owner and any other Person or entity having or acquiring any right, title, or interest in the Development.

**"Trustee Bank"** means the bank selected by OHFA to act as trustee under the Bond Indenture executed by OHFA in connection with OHFA's financing of a Development pursuant to this Chapter.

**"Trustees"** means the Board of Trustees of OHFA.

### **330:30-2-3.1. Application evaluations [REVOKED]**

#### **330:30-2-5.1. Eligibility of Borrowers**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) Eligible Borrowers may include any Person as defined in this Chapter.

(c) Each Borrower must meet the requirements set forth in this subsection:

(1) If the Borrower is a business entity, the entity must be in good standing and be qualified to do business in Oklahoma under Oklahoma laws and these Rules.

(2) The Borrower must have all necessary legal authority to incur the obligations relating to the MF Bonds requested.

(3) The Borrower must demonstrate creditworthiness and repayment ability.

(4) The Borrower must demonstrate, it is capable of and can reasonably be expected to achieve successful completion of the proposed Development.

#### **330:30-2-6.1. Financing requirements**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) OHFA may finance Developments through acquisition, rehabilitation, construction and/or permanent MF Bonds.

(c) OHFA may participate with other institutions in the issuance of MF Bonds to finance Developments under this Chapter.

(d) OHFA MF Bonds shall meet all reasonable underwriting requirements, and will be subject to adjustment if necessary.

(e) OHFA or one of its bond professionals shall prescribe the form and content of all Closing documents, including without limitation, the Bond Documents, construction facility documents and the regulatory agreement(s).

(f) OHFA may require additional instruments or guarantees, in addition to the Bond Documents, to secure its MF Bonds.

(g) For any Development to be financed by the issuance of MF Bonds, the interest on which is intended to be excluded from federal income tax under the Code, the Borrower shall be responsible to insure that all applicable requirements of the Code concerning the design, construction and operation of the Development, and the use of any proceeds of such MF Bonds, are and remain satisfied for the requisite period of time.

#### **330:30-2-7.1. Insurance**

The Borrower must comply with all insurance requirements of OHFA relating to the Development. The requirements will be set forth more specifically in the AP.

#### **330:30-2-8.1. Eligible Developments**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) In order to qualify for MF Bond financing, a proposed Development must be multifamily (in excess of one unit) housing. The Development must comply with all applicable federal, State and local laws. A Development may consist of detached housing, row houses, high-rises, or the residential portion of a mixed-use Development.

(c) The economic feasibility of the Development and the independent creditworthiness of the Borrower must demonstrate that the OHFA MF Bonds can reasonably be expected to be paid in full in accordance with the terms of the Bond Documents.

(d) The Development has or will have, a remaining useful life at least equal to the term of the regulatory agreement(s) and/or the Bond Documents.

(e) If a Development is funded in whole or in part by other federal or State programs the Development must meet all requirements and qualifications of those programs.

#### **330:30-2-9.1. Credit enhancement requirements**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) Credit enhancement techniques or mechanisms may include, but are not limited to:

- (1) Mortgage insurance, including mortgage pool insurance or payment guarantees;
- (2) Bond insurance;
- (3) Collateral pledges;
- (4) Surety or other third party guarantees;
- (5) Letters of credit; or
- (6) Combinations thereof.

(c) Credit enhancement techniques or mechanisms may be employed in connection with the issuance of MF Bonds.

(d) The form and structure of credit enhancement utilized in connection with any OHFA MF Bonds must be approved by formal action of the Trustees.

**330:30-2-10. Income eligibility of tenants**

Developments must set aside at least forty percent (40%) of the units for households with incomes of sixty percent (60%) of Area Median Gross Income, or less, or twenty percent (20%) for households with incomes of fifty percent (50%), or less per Treasury (IRS) regulations (Code) as modified from time to time.

**330:30-2-11. Compliance with Applicable laws**

(a) The Applicant, the Development, the Owner(s), Development Team and the Affiliates of each, must comply with all applicable federal, State and local laws, rules, regulations and ordinances, including but not limited to, the Code and regulations promulgated thereunder, the Oklahoma Landlord Tenant Act, Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended, all disclosure requirements promulgated by the Securities Exchange Commission and/or the Municipal Securities Rulemaking Board. Neither the Applicant, the Owners(s), the Development Team nor the Affiliates of each shall discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status, or disability in the lease, use or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and/or management of any Development. Owners(s) of a Development will be required to covenant and agree in the regulatory agreement to comply fully with the requirements of the Fair Housing Act as it may from time to time be amended, for the time period promised in the Application.

(b) Any issuance of MF Bonds by OHFA is subject to compliance with all applicable federal and State laws and all rules and regulations promulgated thereunder and all local ordinances, rules and regulations applicable to the Development, its financing, or any portion or aspect thereof.

(c) The Applicant and all members of the Development Team and the Affiliates of each must be in compliance with, and good standing under, any OHFA program in which any may participate.

**SUBCHAPTER 4. APPLICATION AND PROCESSING PROCEDURES**

**330:30-4-1.1. Preliminary matters (Pre-Application)**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) Prior to submission of an Application, it is advisable for the Applicant to schedule a meeting with OHFA's Executive Director or his designees to present a brief overview of the proposed Development. Any technical aspects of the Development or its proposed financing should be explained to OHFA at this meeting. OHFA should be advised of any anticipated difficulties or contingencies.

(c) While Applications may be submitted at any time, it is essential to discuss any proposal with OHFA to establish a timeline consistent with other transactions of OHFA. The State's approval process for allocating the State's annual private activity bond volume cap may affect timing and should also be taken into consideration.

(d) OHFA requires adequate time to review any proposal. No proposal will be taken to the Trustees unless OHFA has had adequate review time.

(e) OHFA will engage a team of professionals, according to State procedures. If a professional substitution is approved, the amount of fees charged cannot exceed those outlined through the State process.

### **330:30-4-2.1. Application Processing Stages**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) There are at least two stages in OHFA's review of Applications: The inducement stage and the final financing stage. The Inducement Resolution may not be combined with the Final Resolution.

(c) The Applicant will be notified and informed of any additional requirements for the Trustees to consider an Inducement Resolution. OHFA's notice to the Applicant will establish a timeline for filing additional or supplemental information.

(d) An Inducement Resolution may be issued before an Application is filed with OHFA. Specific requirements for documentation to be submitted will be in the AP.

(e) Following OHFA's review, only Applications meeting all requirements of these Rules and any additional requirements of OHFA will be submitted to the Trustees for their consideration for approval of a Final Resolution.

(f) After the Inducement Resolution is issued, a Public Hearing must be conducted by OHFA after reasonable public notice, for the purpose of receiving and evaluating comments in support of and/or in opposition to the proposed Development.

(g) An application for State bond cap must be submitted with all required documentation. The application will be submitted by OHFA or one of its bond professionals.

(h) Final financing stage.

(1) The Applicant and OHFA, together with their respective legal and financial advisors or consultants, must prepare all documents and financial analyses required to enable OHFA to adopt a Financing Resolution. The Trustees may condition same upon such conditions precedent as the Trustees deem, in their discretion, necessary to Closing.

(2) All information previously provided must be updated and supplemented, to the extent necessary. Failure to comply with this requirement may result in the denial of the Application.

(3) OHFA shall not be obligated to close on the financing on a Development unless the Board of Trustees in their respective complete discretion, are satisfied that all the requirements and standards imposed by federal and Oklahoma laws, rules and regulations and local ordinances, rules, regulations, and other applicable restrictions, and this Chapter, and the terms and conditions of all resolutions adopted by the OHFA Trustees pertaining to the Development have been, and at the time of the Closing remain, fully completed and satisfied.

(4) The final terms and conditions of OHFA MF Bonds issued must be reflected in the Bond Documents relating to the transaction.

### **330:30-4-3.1. Conferences with OHFA**

During any stage of the Application process, OHFA may request one or more conferences with the Applicant and/or any Development Team member to review and clarify any aspect of the proposed Development and/or any of the information submitted.

### **330:30-4-4.1. Basic Application requirements**

(a) The AP, as approved by the Trustees may modify, expand, or clarify the following criteria.

(b) The form and presentation of each item will be as prescribed in the AP. OHFA reserves the right to require additional information if the disclosures provided are deemed inadequate.

(1) **Development name.**

(2) **Borrower.**

(3) **Development Team.** Provide contact information of the Applicant, Borrower and each member of the Development Team.

(4) **Certifications and Affidavits.** Each Applicant and the Development Team may be required to provide certifications and affidavits.

- (5) **Market Study.**
  - (6) **Development Description.**
  - (7) **Capital Needs Assessment.** For existing Developments, a Capital Needs Assessment must be provided.
  - (8) **Income and Expenses Information.**
  - (9) **Site Information.**
  - (10) **Costs/Sources.**
  - (11) **Management/Marketing.**
  - (12) **Supplemental Information.** Any and all additional information OHFA may require in order to analyze the Development and Application at any stage of its review.
- (c) Any amendment or changes to information filed with OHFA must be disclosed immediately. This is a continuing disclosure requirement. Any amendments or changes not immediately brought to the attention of OHFA, in writing, may result in the Application being rejected.

### **330:30-4-4.2. Application evaluations**

- (a) In evaluating whether to authorize the issuance of OHFA MF Bonds for the purpose of financing a Development, the Trustees may take into consideration certain criteria. These criteria will be outlined in the AP.
- (b) Applications may be disapproved at any stage of processing, for any of the following criteria, in addition to any other specific reason(s) which may be established by the Trustees during the review process.
  - (1) The financing of such Development involves a risk to OHFA that its current or future financing ability or reputation in the credit markets may generally be adversely affected.
  - (2) The financing of such Development is determined not to be cost-effective in terms of its proposed utilization of OHFA financing capacity and/or other financial resources.
  - (3) Failure to submit any information required by this Chapter, the AP, any Resolution of the Trustees and/or OHFA advisors at any stage of processing.
  - (4) Failure to demonstrate that the proposal is consistent with OHFA's public purposes and priorities.
  - (5) Failure to demonstrate that the proposed financing is reasonable and appropriate for the Development and market conditions.
  - (6) Failure to demonstrate that the Applicant and the other Development Team members have the good character, reputation, integrity, honesty, experience, resources and capacity to successfully execute the related financing plan and to properly manage the Development.
  - (7) The information at the inducement stage varies materially from the information contained in the initial Application or

the information filed at the financing stage varies materially from the information filed in the initial Application and/or the inducement stage.

(8) Any condition for Closing has not been satisfied.

(c) Any Applicant, Borrower, Owner, Developer or any Affiliates of, or principals may not be eligible to obtain OHFA financing if that Person has been, within the preceding seven (7) years:

(1) The appointment of a Receiver; conviction on a felony criminal charge; or bankruptcy.

(2) Suspended or expelled from membership in, or suspended or barred from association with a member of, any securities exchange or self-regulating association; or suspended, barred or had any license revoked by any federal or state agency or local governmental unit in regard to any federal or state statute, rule, regulation, executive or administrative order, or any local governmental ordinance, rule or regulation designed to protect consumers; or any federal or state agency or local governmental unit established to protect consumers against unlawful practices involving insurance, securities, commodities or commodity futures, real estate or any interest therein, franchises, business opportunities, consumer goods, benefits under any federal state or local governmental unit program; or other services offered by federal, state or local governmental units or by private entities.

(3) Involved in uncured financing defaults, foreclosures for federal, State, or OHFA Programs, and/or placement on HUD's list of debarred contractors;

(4) Events of material uncorrected noncompliance with any federal or State assisted housing programs in any jurisdiction;

(5) Removed as a general partner or managing member;

(6) Failure to comply with OHFA's requests for information or documentation on any Development funded or administered by OHFA.

(d) No Applicant, Borrower, Development Team member or any third party shall have any recourse against OHFA or any of its Trustees, employees, representatives, attorneys, financial advisors or other consultants for any failure to approve.

## **SUBCHAPTER 8. FEES AND EXPENSES**

### **330:30-8-1. Inducement Application stage**

(a) When notified by OHFA the Applicant shall remit to OHFA a nonrefundable inducement Application fee in an amount equal to the greater of:

(1) Ten basis points (.10%) of the dollar amount of OHFA MF Bonds requested; or

(2) Five Thousand Dollars (\$5,000).

(b) If an Inducement Resolution is sought before an Application is submitted to OHFA, then One Thousand Dollars (\$1,000) is due before the Trustees consider the Inducement Resolution. The remaining balance of the fee would be due two weeks after the Trustees consideration.

(c) OHFA may require an Applicant to make payments to third parties who provide services relating to OHFA's review and evaluation of the Application.

**330:30-8-3. Final Financing stage**

(a) When notified by OHFA the Applicant shall remit to OHFA a nonrefundable final financing fee in an amount equal to the greater of:

(1) Forty basis points (0.40%) of the dollar amount of OHFA MF Bonds requested; or

(2) Twenty Thousand Dollars (\$20,000).

(b) OHFA may require an Applicant to make payments to third parties who provide services relating to OHFA's review and evaluation of the Application.

(c) Fees for the final financing stage and/or the fees due to third parties may be incorporated into the closing process.

(d) All fees outstanding will be due and payable by the Borrower at Closing.

**330:30-8-5. Administrative fee and compliance fee**

(a) The Owner of each Development financed by OHFA shall be required to remit to OHFA a nonrefundable administrative and compliance fee.

(b) The administrative and compliance fee for the first five (5) years shall be paid in advance and must be paid at Closing. The amount of the fee will be twelve and one half basis points (.125%) of the principal amount of OHFA MF Bonds issued.

(c) Thereafter, the administrative and compliance fee shall be paid in advance annually and equal to twenty-five basis points (.25%) per annum and calculated on amount of MF Bonds outstanding, if any.

**330:30-8-6. Compliance fee [REVOKED]**

**330:30-8-7. Assumption and/or Transfer fee**

(a) OHFA may require, for each Development, the Bond Documents contain a "due on sale or change of Ownership or Control" clause in the Bond Documents.

(b) In connection with the Transfer or change of Ownership or Control of a Development the Owner/Borrower or the purchaser shall remit to OHFA a nonrefundable assumption/Transfer fee in

an amount equal to one percent (1.00%) of the principal amount of OHFA MF Bonds outstanding as of the date of Transfer of Ownership or \$3,000, whichever is greater.

## **SUBCHAPTER 12. COMPLIANCE AND REPORTING REQUIREMENTS**

### **330:30-12-2. Records and accounts**

(a) The Borrower must keep proper books, records and accounts in which complete and correct entries of all financial transactions relating to the Development are entered and to keep copies of all certificates required to be provided, together with all invoices, receipts, tenant certifications, complete rent roll information or other records regarding residents, and other supporting documentation reasonably sufficient to demonstrate the accuracy of such certifications.

(b) The Borrower shall be obligated to furnish to OHFA, at no expense to OHFA, true and correct copies of such books, records and accounts and other documents pertaining to the Development as OHFA, in its complete discretion and from time to time, deems necessary to determine that the federal and State laws, rules and regulations, including this Chapter and the Bond Documents and financing documents, have been complied with to OHFA's satisfaction.

### **330:30-12-3. Audits and examinations**

OHFA shall have the right, at any time and from time to time, to examine and audit any and all of the records or accounts of the Applicant, and/or Borrower and Affiliates of each pertaining to the Development, the MF Bonds, and the direct and indirect Ownership in the Applicant and/or Borrower and the Affiliates of each.

## **SUBCHAPTER 14. SALE, TRANSFER/ASSUMPTION**

### **330:30-14-1. Borrower's requirements**

(a) Procedures for sale, Transfer or assumptions will be established in the AP, including the necessary documentation.

(b) The Borrower and its Affiliates and Controlling parties must covenant and agree not to sell, Transfer, or otherwise dispose of the Development, or any material portion of the Development, or any portion of their Ownership or Controlling interest in the Development without first obtaining the prior written consent of OHFA.

(c) OHFA's criteria for approval or denial of a proposed sale or Transfer shall be at the discretion of the Trustees, based upon the facts and circumstances presented by the Borrower and prospective buyer.