

91337 Applications, Procedures and Approvals

(a)

Before a loan from the Department may be obtained, the facility shall complete and submit an application to the Department.

(b)

Applications shall be processed by the Department in three stages, as follows:

(1) The initial stage material shall be submitted by the applicant to determine eligibility of the proposed project and shall consist of the following: (A)

Department form LIC-1000, Part A, showing project description and costs,

applicant's property interest and loan amount. (B) Department form LIC-1001,

Part B, showing financial assets and liabilities, and projected income and

expenses. (C) Department form LIC-1002, Part C, showing nonprofit status and

resolution to borrow. The submission by the applicant of complete and accurate

initial stage documentation shall constitute perfection of the application for

purposes of scheduling priority of the application. Subsequent to affirmative

action by loan committee, applicant will be sent a loan commitment. (2) The

second stage material in four copies shall be submitted no later than three weeks

subsequent to the Department's mailing of the loan commitment. Failure to

submit complete and accurate second stage documentation within the time allotted

shall subject the application to loss of priority. The second stage material shall

consist of the following: (A) Architect or engineer's agreement, if required by the

Department. (B) Plans and specifications for the work approved by the Office of the State Fire Marshal. (C) Valid contractor's bid offer or an executed contract for the work. Verification of competitive bidding shall be required. (D) Form of contractor's performance and payment bond. (E) Completed state form showing a detailed estimate of costs of all items for which the loan proceeds will be used. (F) Trustee agreement signed by the parties. (G) Loan agreement signed and acknowledged by the applicant. (H) Security instrument signed and acknowledged by the applicant. (I) Executed promissory note. (3) The final stage of the application consists of the following: (A) Prior to the closing, the applicant shall submit substantiation of the following insurance coverage for work in progress or work to be constructed: 1. Statutory workmen's compensation and employer's liability. 2. Bodily injury and property damage liability. 3. Fire and extended coverage for all work performed under the contract and other improvements on the site against loss or damage to the minimum extent of replacement value covered by the standard coverage insurance endorsement. The policies shall include a standard mortgage clause making loss payable to the State of California as its interests may appear. (B) Prior to the closing, the contractor performing the work shall provide both performance and payment bonds each in the amount of 100 percent of the penal sum of the contract. (C) The closing of the loan shall take place at such time and place as agreed upon by all parties consistent with the completion of all necessary document reviews and financial arrangements. (D) Actions taken at the closing are to effect a single transaction and all documents to be executed and delivered are to be consistent with the completion of all necessary document reviews and financial arrangements. (E) All real property security documents are to be recorded with the county recorder in the county in which the secured property is located prior to closing.

(1)

The initial stage material shall be submitted by the applicant to determine eligibility of the proposed project and shall consist of the following: (A) Department form LIC-1000, Part A, showing project description and costs, applicant's property interest and loan amount. (B) Department form LIC-1001, Part B, showing financial assets and liabilities, and projected income and expenses. (C) Department form LIC-1002, Part C, showing nonprofit status and resolution to borrow. The submission by the applicant of complete and accurate initial stage documentation shall constitute perfection of the application for purposes of scheduling priority of the application. Subsequent to affirmative action by loan committee, applicant will be sent a loan commitment.

(A)

Department form LIC-1000, Part A, showing project description and costs, applicant's property interest and loan amount.

(B)

Department form LIC-1001, Part B, showing financial assets and liabilities, and projected income and expenses.

(C)

Department form LIC-1002, Part C, showing nonprofit status and resolution to borrow. The submission by the applicant of complete and accurate initial stage documentation shall constitute perfection of the application for purposes of scheduling priority of the application. Subsequent to affirmative action by loan committee, applicant will be sent a loan commitment.

(2)

The second stage material in four copies shall be submitted no later than three weeks subsequent to the Department's mailing of the loan commitment. Failure to submit complete and accurate second stage documentation within the time allotted shall

subject the application to loss of priority. The second stage material shall consist of the following: (A) Architect or engineer's agreement, if required by the Department. (B) Plans and specifications for the work approved by the Office of the State Fire Marshal. (C) Valid contractor's bid offer or an executed contract for the work. Verification of competitive bidding shall be required. (D) Form of contractor's performance and payment bond. (E) Completed state form showing a detailed estimate of costs of all items for which the loan proceeds will be used. (F) Trustee agreement signed by the parties. (G) Loan agreement signed and acknowledged by the applicant. (H) Security instrument signed and acknowledged by the applicant. (I) Executed promissory note.

(A)

Architect or engineer's agreement, if required by the Department.

(B)

Plans and specifications for the work approved by the Office of the State Fire Marshal.

(C)

Valid contractor's bid offer or an executed contract for the work. Verification of competitive bidding shall be required.

(D)

Form of contractor's performance and payment bond.

(E)

Completed state form showing a detailed estimate of costs of all items for which the loan proceeds will be used.

(F)

Trustee agreement signed by the parties.

(G)

Loan agreement signed and acknowledged by the applicant.

(H)

Security instrument signed and acknowledged by the applicant.

(I)

Executed promissory note.

(3)

The final stage of the application consists of the following: (A) Prior to the closing, the applicant shall submit substantiation of the following insurance coverage for work in progress or work to be constructed: 1. Statutory workmen's compensation and employer's liability. 2. Bodily injury and property damage liability. 3. Fire and extended coverage for all work performed under the contract and other improvements on the site against loss or damage to the minimum extent of replacement value covered by the standard coverage insurance endorsement. The policies shall include a standard mortgage clause making loss payable to the State of California as its interests may appear. (B) Prior to the closing, the contractor performing the work shall provide both performance and payment bonds each in the amount of 100 percent of the penal sum of the contract. (C) The closing of the loan shall take place at such time and place as agreed upon by all parties consistent with the completion of all necessary document reviews and financial arrangements. (D) Actions taken at the closing are to effect a single transaction and all documents to be executed and delivered are to be consistent with the completion of all necessary document reviews and financial arrangements. (E) All real property security documents are to be recorded with the county recorder in the county in which the secured property is located prior to closing.

(A)

Prior to the closing, the applicant shall submit substantiation of the following insurance coverage for work in progress or work to be constructed: 1. Statutory workmen's compensation and employer's liability. 2. Bodily injury and property damage liability. 3. Fire and extended coverage for all work performed under the contract and other improvements

on the site against loss or damage to the minimum extent of replacement value covered by the standard coverage insurance endorsement. The policies shall include a standard mortgage clause making loss payable to the State of California as its interests may appear.

1.

Statutory workmen's compensation and employer's liability.

2.

Bodily injury and property damage liability.

3.

Fire and extended coverage for all work performed under the contract and other improvements on the site against loss or damage to the minimum extent of replacement value covered by the standard coverage insurance endorsement. The policies shall include a standard mortgage clause making loss payable to the State of California as its interests may appear.

(B)

Prior to the closing, the contractor performing the work shall provide both performance and payment bonds each in the amount of 100 percent of the penal sum of the contract.

(C)

The closing of the loan shall take place at such time and place as agreed upon by all parties consistent with the completion of all necessary document reviews and financial arrangements.

(D)

Actions taken at the closing are to effect a single transaction and all documents to be executed and delivered are to be consistent with the completion of all necessary document reviews and financial arrangements.

(E)

All real property security documents are to be recorded with the county recorder in the county in which the secured property is located prior to closing.