

- CalHFA review and approval of the final "as-built" drawings.

Loan Quality Control meets with the Borrower when the project is almost complete, but no later than 120 days prior to permanent loan closing. A Permanent Loan Closing checklist is given to the Borrower. Three copies of the completed checklist are submitted to LQC. CalHFA's Legal Division then drafts final loan documents and escrow instructions which are forwarded to the applicant, the applicant's attorney and the title company for review.

CalHFA generally requires payment of the following fees and impounds prior to or in escrow:

- One year prepaid Hazard, Liability and Earthquake insurance, or adequate impounds collected in escrow to cover the first year's premiums.
- Impounds for property taxes, including estimated supplemental taxes; insurance, both liability and earthquake; special assessments; and interest through the end of the month in which the loan closes.
- UCC search and UCC filing fees.
- Impounds for the reserve replacement account
- Rent Up, Marketing and Operating Expense reserves.

Prior to the loan closing, after all documentation has been reviewed and approved by CalHFA and the applicant, an internal pre-closing meeting occurs to review the closing package. At this meeting any changes to the final commitment are discussed. Property Management, Legal, Loan Quality Control, Accounting, and Finance confirm that they have all the necessary information for the loan to close. Conditions may be established which must be met before the loan can close. After the meeting, and once all conditions have been met, the executed loan documents and escrow instructions are submitted to CalHFA's Executive Director for signature and then forwarded to the title company. Wire transfer instructions are provided to CalHFA's Accounting Division and typically five business days are required before the funds are available to be wired to the escrow company. Once the escrow company can comply with the terms of the Agency's escrow instructions, the necessary funds are wired to the escrow company and the escrow may close.