

BEP Recipient's Claims Guidesheet

Updated February 11, 2020

Mandatory BEP Documents: Mortgage, Demand Note, & Promissory Note

There are 3 documents that are required in the claims process for each and every BEP Property: Demand Note, Promissory Note, and HHF Mortgage. These documents must be on official IHEDA forms and cannot be altered in any way.

These documents only need to be submitted one time. Once they have been submitted correctly, Recipients do not have to resubmit these documents in a subsequent claim – unless specifically requested to do so by BEP Staff/the Claims Analyst.

Minimum Document Requirements for Acquisition (Advancement of Funds)

Recipients seeking funds to acquire a property (advance funds to take to closing) must submit the following documentation with their acquisition claim:

1. Purchase Agreement OR Letter of Intent OR Sales Agreement OR Draft HUD-1 Settlement Statement (any document substantiating the purchase);
2. Itemized Statement of all Acquisition Costs sought for repayment (this can be a HUD-1 Settlement Statement or another type of itemized list);
3. Executed Promissory Note in the amount of \$25,000;
4. Executed Demand Note in the amount of \$25,000;
5. Associated invoice(s) substantiating the claim amount(s).

ANY/ALL subsequent claims after acquisition funds have been advanced MUST include the following:

1. RECORDED Mortgage in the amount of \$25,000;
2. RECORDED Deed in the name of the Program Partner;
3. Property Record Card (Assessor's Card/Record of Transfer);
4. Fully Executed version of purchase document presented from #1 above

Minimum Document Requirements for Acquisition (Reimbursement of Funds)

Recipients seeking reimbursement for acquisition must submit the following documentation with their acquisition claim:

1. Fully Executed Purchase Agreement OR Letter of Intent OR Sales Agreement OR Draft HUD-1 Settlement Statement (any document substantiating the purchase);
2. Fully Executed Itemized Statement of all Acquisition Costs sought for repayment (this can be a HUD-1 Settlement Statement or another type of itemized list);
3. Executed Promissory Note in the amount of \$25,000;
4. Executed Demand Note in the amount of \$25,000;
5. Executed and RECORDED Mortgage in the amount of \$25,000;
6. RECORDED Deed in the name of the Program Partner;
7. Property Record Card (Assessor's Card/Record of Transfer).
8. Associated invoice(s) substantiating the claim amount(s).

Minimum Document Requirements for Legal Claims

Legal claims may include, but are not limited to, legal services provided by an attorney in furtherance of acquisition, preparation of documents and notices, quiet title actions, title opinions provided by the attorney, etc. For specific questions about what may be billed to legal, contact Rayanna Binder.

For each and every legal claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);
2. Any/all applicable **invoices from an attorney/legal office** for legal activities substantiating the claim amount(s).

IHCDA cannot pay for legal services in furtherance of release of the property/sale of the property out of the BEP.

Minimum Document Requirements for Title Claims

Title claims may include, but are not limited to, title search fees, title policy fees, and other title work performed by a title agency. Title opinions prepared by an attorney should be billed to Legal. For specific questions about what may be billed to title, contact Rayanna Binder.

For each and every title claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);
2. Any/all applicable invoices for title activities substantiating the claim amount(s).

IHCDA cannot pay for title services in furtherance of release of the property/sale of the property out of the BEP.

Minimum Document Requirements for Appraisal Claims

Appraisal claims may include appraisal of a property performed by a licensed appraisal agency. For specific questions about what may be billed to appraisal, contact Rayanna Binder.

For each and every appraisal claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);
2. Any/all applicable invoices for appraisal activities substantiating the claim amount(s).

IHCDA cannot pay for appraisals in furtherance of release of the property/sale of the property out of the BEP.

Minimum Document Requirements for Demolition Claims

Demolition claims may include, but are not limited to, the razing and clearing of residential structures and outbuildings, the removal of cisterns/tanks/wells, asbestos testing and remediation, rodent/pest inspections and eradication, removal of trees, stumps, and scrub brush, or other demolition activities. Recipients may also claim insurance policies active at the time of demolition activities against the Demolition line item. Insurance policies post-demo should be claimed against Maintenance.

For each and every demolition claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);

2. Any/all applicable invoices for demolition activities substantiating the claim amount(s);
 - a. Demolition and Greening activities must be billed on separate line items.
 - b. If Demolition and Greening are not broken out as a separate charges the claim will be denied.

EFFECTIVE 2/1/20 (See BEP Notice 20-121)

3. Asbestos license for contractor;
4. Asbestos invoice for testing/remediation;
 - a. If no invoice for asbestos is available (as the service was provided by the demolition contractor or a sub-contractor as part of the cost established in the bid packet), Recipient must provide:
 1. Invoice for demolition;
 2. Asbestos contractor's license;
 3. Asbestos testing report.

Minimum Document Requirements for Greening Claims

Greening claims may include, but are not limited to, greening services which is defined as open-hole inspection, placement of compliant backfill material, compaction of the backfill material, grading of the site, and placement of topsoil and seed. At a minimum, partial greening activities **must** include the open-hole inspection, deposit of clean and compliant backfill, compaction of backfill, and rough grade of the site. If these steps are not complete, no greening claim may be submitted.

For each greening claim submitted Recipients must upload the following documentation:

1. Invoice listing out the cost for greening activities (cannot be lumped into the demo cost) substantiating the claim amount(s);
2. Completed Greening Claims Form ("Greening Form");
3. One (1) photo of the property prior to demolition AND two (2) photos of the property post demolition (suggested from front of lot and back of lot);
4. Certification Letter from the Backfill Material Supplier verifying that the fill material is compliant with the BEP Tech Specs.
5. Testing Report from the Material Supplier or a qualified testing facility to substantiate the material meets the BEP Tech Specs requirement;
6. Certification Letter from the Topsoil Material Supplier verifying that the fill material is compliant with the BEP Tech Specs.

Partial Greening Claims vs. Complete Greening Claims

A property may only be considered "complete" once an approved greening claim is on file in the IHEDA Online Claims System. IHEDA acknowledges certain weather conditions may prohibit seeding from taking; therefore, Recipients can submit partial greening claims.

At a minimum, partial greening activities **must** include the open-hole inspection, deposit of clean and compliant backfill, the compaction of backfill, and a rough grade. If these steps are not complete, no greening claim may be submitted.

The Greening Form may not be altered in any way. When completing the Greening Form, ALL information in the form must be filled-in even if a particular task has not been completed or will not be undertaken. For activities that have not yet occurred or are not completed, you must put "N/A". If a particular greening activity is not

applicable to a particular site, please write “N/A” in the field and provide a written explanation. If any field is left empty, Operations Staff will deny the claim.

For example, if a particular site is on a slab and only topsoil was used (no backfill), please provide an explanation as to why backfill material was not placed on the lot.

Minimum Document Requirements for Maintenance/Admin Claims

Maintenance years are **not** based on the calendar year. Maintenance years are individually based on the date that a property’s greening claim was approved. An individual property’s maintenance anniversary can be determined by locating the claims approval email for a specific property’s greening claim. Maintenance Year 1 begins one (1) day after the greening claim has been approved by Operations Staff.

Recipients should claim maintenance fees in the maintenance year that the activity occurs. Should all funds from any given maintenance year be exhausted, Recipients may claim the remaining eligible expenses associated with a prior year’s activity in the subsequent maintenance year. Unused funds in a prior maintenance year may not be claimed in subsequent maintenance year(s). Please contact Rayanna Binder for additional information.

Maintenance claims may include, but are not limited to, mowing, leaf/brush removal, snow removal, or any other activity to maintain the property and support the intended end use. Maintenance claims may also include, but are not limited to, sidewalk/curb maintenance (see BEP Notice 20-122), property taxes (post-acquisition), general liability insurance policies (post-demo), recording fees of new BEP instruments (post-acquisition), and administrative costs. See below for more information on Admin. For specific questions about what may be billed to maintenance, contact Rayanna Binder.

For each and every maintenance claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);
2. Any/all applicable invoices substantiating the cost of maintenance activities/services

Admin claims may not exceed \$250 of a given maintenance year’s budget. Admin claims may include, but are not limited to, direct administrative services provided by a grant administrator, consultant, or the like. For specific questions about what may be billed to admin, contact Rayanna Binder.

For each and every admin claim, Recipients must include the following:

1. All required acquisition documents (if not already provided);
2. Any/all applicable invoices (which may include timesheets with hourly rate and description of services provided) for admin activities.

For each and every sidewalk claim, Recipients must include the following:

1. An invoice for services rendered, containing the following information: Date of service, Address of the BEP lot, Description of the service provided, and Dimensions of the sidewalk or curb replaced;
2. County assessor’s card or property record with lot dimensions (frontage/width and depth/length);
3. A completed Curb & Sidewalk Verification Form signed by the Recipient;
4. BEFORE photo(s) of the lot’s frontage AND damaged or missing sidewalk/curb;
5. AFTER photo(s) of the lot’s frontage AND replaced sidewalk/curb.