

# Required Documentation Checklist

The following checklist outlines the minimum documentation required at each stage of the process. Inability to provide the outlined documents within specified timelines will result in withdrawal of the application.

The Apartment Construction Loan Program (ACLP) process has 4 stages. The documentation listed below represents the minimum required documents for processing the application at a particular stage. Submitting the documents well in advance is advisable to facilitate a timely processing.

Please contact your CMHC<sup>1</sup> if you have questions regarding the documentation requirements or are applying for funding in support of a portfolio achievement application.

## Application

## Underwriting

## Loan Agreement

## First Advance

### Proponent(s) Details

#### Integrity Declaration

All proponents must provide a newly signed CMHC Integrity Declaration<sup>2</sup>, even if one has been provided previously for another CMHC application.

#### Corporate Documents

Proponents and guarantors must provide all the documents listed below, as applicable:

- Articles of incorporation, Bylaws including all supporting documentation, such as, but not limited to – a business name registration, articles of organization, constitution documents, etc.

<sup>1</sup> <https://www.cmhc-schl.gc.ca/about-us/contact-us>

<sup>2</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/integrity-declaration-en.pdf>

- Detailed information about the entity's ownership structure, including any related entities.
- Organization chart.
- The name and relationship of all registered and beneficial owners of the property (not applicable if the property is in Quebec).

Considerations for On-Reserve Applicants:

- Chief and council members should be included in the organization chart.

### Financial Statements

- Audited financial statements for the most recent three years for the proponent(s) and each guarantor(s) and parent company (if applicable). Review Engagement or alternative options may be accepted at CMHC's sole discretion.
- For new entities, alternative options may be considered at CMHC's sole discretion.
- Personal net worth statements for individual guarantors, if applicable.

### Development Experience

- The proponent, their contracted builder or developer must provide resume(s) demonstrating their experience in construction, including: a list of completed and current projects of similar size and scope as the subject building, property address, type of property, number of levels, number of units, overall project budget, year completed.
- List of all new construction and renovation projects currently underway, regardless of whether financed and/or insured by CMHC.

### Property Management Experience

- The applicant must provide resume(s) outlining the experience of the entity and individuals managing the property, including property address, type of property, tenant profile, number of levels, number of units and number of years of management experience.
- If the management of the property will be contracted out, the proponent must provide resume(s) of the contracted property manager company outlining their related experience in managing properties of similar size with all the details outlined above.

**NOTE:** The applicant and/or Corporation that will be the property manager must have at least five (5) years of demonstrated management experience in operations and management of similar type and size property as the proposed project.

## Project Details

### Appraisal Report

The appraisal report must meet the following requirements:

- A full narrative appraisal report issued within the last 12 months.
- Completed by an independent appraiser holding an Accredited Appraiser Canadian Institute (AACI) designation (E.A. Acceptable in QC).
- Include comments on economic life of the project, "as-is" (i.e. Land value) and "as-improved" values using appropriate methodologies, comparison of valuation across different valuation methodologies.
- Market feasibility including absorption study (specify pre-leasing % assumptions and estimated absorption of unit(s) per month)
- The appraisal report must establish a minimum market value for mortgage purposes and shall be issued within the last 12 months.

**NOTE:** At the underwriting stage, the report must authorize the lender and its assignees to rely on the report for financing purposes.

### Land Ownership

If the land is a recent or upcoming purchase/lease:

- Copy of the Sale and Purchase Agreement, an abstract of Title, a copy of property tax assessment or any other document that confirms the ownership of the subject property and its Legal Description (PIN or PID).
- Copy of all lease agreements, if applicable. For example, operating leases, land leases, subleases, headleases, etc.
- Copy of Land Donation, if applicable.

If the land is already owned:

- The property identification number and recent property tax statement, if available.

Considerations for On-Reserve Applicants:

- Project location identifier may be GPS Data, the civic address or general site location.
- The "Land Status Report" issued by Indigenous Services Canada (ISC) meets the requirements.
- Applicant must confirm the type of security being proposed. For example, Ministerial Loan Guarantee, Pledge of Land, Leasehold Interest, Business Revenue and Personal Property, or Letter of Credit. See CMHC's [Alternative Types of Security<sup>3</sup>](#) webpage for further details.

<sup>3</sup> <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/indigenous/alternative-types-of-security>

### Approved Zoning

- Documentation from municipality outlining that the zoning has been approved for the project.

Considerations for On-Reserve Applicants:

- The "Land Status Report" issued by ISC meet the requirement.

### Site Plan Application

- Copy of the site plan application detailing aspects such as site boundaries, building layout, environmental impact, etc. (as per local planning department requirements, where applicable).

Considerations for On-Reserve Applicants:

- This may not be applicable.

### Environmental Site Assessment

- Phase 1 Environmental site assessment report
- Phase 2 Environmental site assessment report, if applicable
- Record of Site Condition application, if applicable
- Risk assessment, if applicable
- Confirmation of site remediation, if applicable

**NOTE:** At the underwriting stage, the report must authorize the lender and its assignees to rely on the report for financing purposes.

### Geotechnical Report

Signed by a recognized professional demonstrating that the proposed construction and site improvements of the lands are feasible under existing soil conditions.

**NOTE:** At the underwriting stage, the report must authorize the lender and its assignees to rely on the report for financing purposes.

### Project Description Form

Projects on federal lands (including on-reserve) must comply with the *Impact Assessment Act*. Please provide a project description form to ensure compliance with the Act by completing either:

- Fillable<sup>4</sup> (download the file then open it)
- Print only<sup>5</sup>

### Student Housing Market Study (if applicable)<sup>6</sup>

#### Seniors Housing (if applicable)

Project description of amenities and services offered.

### Project Financials

#### ACLP Project Assessment Workbook

- Standard Rental / Seniors Housing Project Assessment Workbook<sup>7</sup>
- Student Housing Project Assessment Workbook.<sup>8</sup>

#### Cost Estimate

##### Class B

- Professional Quantity Surveyors report; A Class B Budget report which includes: forecasted hard, soft, contingency, land costs, completed by a qualified Quantity Surveyor within the last 12 months.

**NOTE:** At the underwriting stage, the report must authorize the lender and its assignees to rely on the report for financing purposes.

#### Third Party Collaboration or Support

- Draft Housing Agreement, if applicable
- Draft Supplemental Municipal program, if applicable

#### Funding Sources

- A list of all co-funders
- Capital Funding: documentation supporting all sources of financing, including grants, in-kind, forgivable loans, and waiver of development charges & fees (if applicable).

Draft funding documents will be accepted at this stage as it is understood that some funding can be contingent on CMHC's support.

<sup>4</sup> [https://www.sac-isc.gc.ca/DAM/DAM-ISC-SAC/DAM-FNDNG/STAGING/texte-text/83-183\\_fillsave\\_1650917488349\\_eng.pdf](https://www.sac-isc.gc.ca/DAM/DAM-ISC-SAC/DAM-FNDNG/STAGING/texte-text/83-183_fillsave_1650917488349_eng.pdf)

<sup>5</sup> [https://www.sac-isc.gc.ca/DAM/DAM-ISC-SAC/DAM-FNDNG/STAGING/texte-text/83-183-print\\_1650917538805\\_eng.pdf](https://www.sac-isc.gc.ca/DAM/DAM-ISC-SAC/DAM-FNDNG/STAGING/texte-text/83-183-print_1650917538805_eng.pdf)

<sup>6</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/apartment-construction-loan-program/apartment-construction-loan-program-student-housing-market-at-galance-en.pdf>

<sup>7</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/apartment-construction-loan-program/apartment-construction-loan-program-project-assessment-workbook-standard-senior-housing-enhanced-en.xlsx>

<sup>8</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/apartment-construction-loan-program/apartment-construction-loan-program-project-assessment-workbook-student-housing-enhanced-en.xlsx>



## Proponent(s) Details

### Corporate Documents

Letters, Patent, and any applicable operating and shareholders' agreements.

## Project Details

### Pro-Forma Rent Roll

### Attestation for Energy Efficiency (if applicable)<sup>9</sup>

Signed by a recognized professional to confirm Energy Efficiency and Greenhouse Gas emissions improvement.

### Attestation for Accessibility Target (if applicable)<sup>10</sup>

Signed by a recognized professional to confirm Accessibility Target.

### Confirmation of Covenants on Title

Document outlining covenant on title or projected to be on title.

### Other Draft Agreements

All the documents listed below, as applicable/available:

- Funding Agreements
- Beneficial Owner Agreement
- Partnership/Shareholder Agreement
- Lease Agreement
- Condo Bylaws
- Share Facility Agreements
- Management/Operating Agreement

### For Seniors Housing, copies of the following (if applicable)

- Service agreements
- Licence
- Accreditation reports
- Union contracts including any new negotiated wage increases



## Proponent(s) Details

### Finalized Organizational Chart with authorized signatures

### Borrower/Officer Certificates or Band Council Resolution

A certificate, agreement or Band Council Resolution noting the designated signing authority.

## Project Details

### Detailed Building Plans

Detailed building plan including electrical, mechanical, structural specifications, finishes and amenities along with construction/repair schedule.

### Executed Agreements

All drafted agreements have been executed for the project as determined by CMHC Legal Counsel, such as Housing Agreement, Operating Agreements, Co-funder Agreements, etc.

<sup>9</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/apartment-construction-loan-program/apartment-construction-loan-program-energy-efficiency-attestation-enhanced-en.pdf>

<sup>10</sup> <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/apartment-construction-loan-program/apartment-construction-loan-program-accessibility-attestation-enhanced-en.pdf>

### Project Construction Schedule

Project schedule detailing all key milestone.

#### Property Encumbrances

- Permitted Encumbrances
- List of Discharges
- No Interest and Subordination Agreements (if applicable)

### Project Financials

Side Letters pertaining to funding agreements (tripartite/direct agreements) (if applicable)

Application

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### Project Details

#### Finalized Drawdown Schedule

Confirmation of the finalized timeline outlining payment dates including 3<sup>rd</sup> party funding, any client equity injection, and when CMHC repayable funding is provided.

#### Municipal Approvals

- Confirmation of zoning, if applicable
- Copy of site plan agreement, if applicable
- Copy of building permits

#### Registrations/Security Agreements

For example, guarantees.

#### Project Status Certificate

Included in the CMHC Loan Agreement.

#### Project Consultant Certificate

Included in the CMHC Loan Agreement.

#### Statutory Declaration Form

CCDC Form 9A-2001 or equivalent.

#### Occupancy Permit (if applicable)

#### Certificate of Substantial Completion (if applicable)

#### Advance Notice

Included in the CMHC Loan Agreement.

### Project Financials

#### Banking Information

Proof that a separate and distinct bank account has been opened exclusively for the project.

#### Quantity Surveyor (QS) Report

Minimum of Class A estimate report and must include:

- Provide confirmation to CMHC of the project budget (hard costs, soft costs, etc.), project cash flow, and project funding sources.
- Include evidence of a fixed price contract or construction management arrangement wherein fixed price contracts are entered into for no less than two-thirds ( $\frac{2}{3}$ ) of the hard construction cost and identification of all material contracts (contract that is 5% or more of the hard construction cost).
- Include a labour and material, and a performance bond for which CMHC is listed as a dual obligee (minimum of 50% of labour and material and 50% of performance) if applicable.
- Include development and compliance documentation such as zoning, permits, agreements, legal survey, etc.
- Include details of all insurance policies in place during construction as per CMHC's insurance requirement.
- Updated report, provided to CMHC prior to each advance, to demonstrate costs incurred versus cost-to-complete, cost-to-date reconciliation, committed costs, construction schedule (and rationale for any deviations from the initial schedule), contingency budget details, use of funds, etc.



### Labour, Materials, and Performance Bond (if applicable)

Evidence that Labour, Material, and Performance Bond is in place. Each must be in an amount of not less than 50% of the contract price and CMHC should be listed as a dual obligee.

### Insurance Consultant Report

An Independent Insurance Consultant's report prepared by a professional holding a Certificate in Risk Management (CRM) designation and/or Construction Risk and Insurance Specialist (CRIS) designation. The report must:

- Meet the requirements as per CMHC's policies and the Insurance consultant's scope of work.
- Include certificate(s) of insurance.

#### NOTES:

For the avoidance of doubt, Professional reports are to be prepared:

- By independent, arms-length professionals holding a current, industry recognized designation in their field and be in good standing with their governing body, unless prior approved by CMHC;
- Not more than 12 months (18 months for Environmental Site Assessment Report) old from the date of the ACLP application;
- Prepared for CMHC or accompanied by reliance/transmittal letter from the author acknowledging that CMHC will be relying on the report for funding purposes;
- Copy of professional liability (Errors and Omissions) insurance of dollar value as required by CMHC and with no conditions.

CMHC reserves the right to request additional documentation not included in this list at any time, at CMHC's sole discretion on a case-by-case basis.