

PENNSYLVANIA HOUSING FINANCE AGENCY  
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GENERAL PAYOUT PROCEDURES  
FOR MORTGAGORS AND CONTRACTORS

RENTAL HOUSING PROGRAM

Pennsylvania Housing Finance Agency  
General Payout Procedures  
Rental Housing Developments

General Procedures

This procedural guide has been assembled to assist Mortgagors and General Contractors in preparing their applications. Processing time is **generally** seven (7) business days.

These guidelines have been adopted as Agency policy and will be considered the determining factor in any dispute. These guidelines may not be amended or changed via any side letters or agreements concerning procedures for disbursement of any funds from mortgage proceeds.

1. Initial Application for Payment

The Mortgagor and General Contractor must review the initial application with a representative of the Finance Division prior to the scheduled closing. The Finance Division must receive the first payout package at least one week prior to the initial closing. Failure to provide the payout as required may result in limiting disbursements on the day of closing to land, title and recording, and PHFA fees, and precluding payment to all other qualified payees.

All payouts must be submitted on a properly executed PHFA Form P-1 (Initial Application and Authorization for Payment) and require either copies of actual invoices or, if previously paid, receipted invoices and copies of canceled checks. The Agency will advance funds directly to the payee as indicated by the invoice unless the invoice is receipted.

The following items are generally allowed on the first Application for Payment provided they are properly documented:

- Design Architect's Fee (less retention)
- Land
- Legal Fee (less retention)
- Title Insurance and Recording Fees (as per Manual of Pennsylvania Title Insurance Rating Bureau)
- Building Permits and Sewer Tap-On Fees (invoices or copies of permits must be provided or retention will be held)
- Payment and Performance Bond (invoices and payment backup must be provided for reimbursement)
- PHFA Financing Fees
- PHFA Application Fee
- Mortgage Insurance Premium
- PHFA Closing Fee
- PHFA Tax Credit Application Fee
- Appraisal and Market Study Costs

2. Funding Sources

The Agency is established as the Disbursing Agent as part of the Disbursement Agreement. Upon the Agency's approval, one or more of the following may apply to a development.

a. Change Order Letter of Credit:

Subject to the Agency's approval, an owner of a development may chose to fund the construction contingency with cash or a letter of credit. If a letter of credit is provided, it must be irrevocable and unconditional with the Agency as sole beneficiary. The letter of credit must remain in place through the construction period. The letter of credit will be released at the Agency's discretion.

If it is necessary for the Agency to draw on the letter of credit, the Agency will charge a processing fee of \$50 for each draft. This fee will not be considered a mortgagable cost, is not eligible for tax credits and must be paid from the developer's fee.

b. Cash Equity:

If the owner of a development requests the Agency to deposit their PHFA Cash Equity deposit into an interest bearing account, the Agency must receive a written request by the owner at the time of initial loan closing.

c. Commercial Construction/Off-site Improvements:

In order to better account for commercial construction and off-site improvements, the Agency will set aside a portion of the PHFA Cash Equity Requirement to fund these costs. The amount set aside will equal the amount on the cost estimate for off-site improvements or commercial space.

In regards to the commercial space, the general contractor must provide a separate cost estimate for the commercial costs, as well as a separate AIA G702 and G703 for the commercial costs being billed on a monthly basis.

3. Field Cutoff Date

The Agency's Technical Services Division will establish a monthly field cutoff date at the preconstruction meeting.

At the monthly payout meeting, the General Contractor, Mortgagor's Designee, Observing Architect and Agency's Technical Services Representative will review the amounts requested by the General Contractor and will complete and sign the Field Work Sheet supplied by the Technical Services Division of the Agency. The Technical Services Representative will forward a signed copy of the Field Work Sheet to the Technical Services Division. The Contractor will complete the AIA Document G702 (Certificate for Payment) from his copy of the Field Work Sheet.

4. Monthly Application for Payment and Preparation Sequence

Immediately following the monthly payout meeting, the General Contractor will prepare 3 copies of AIA Document G702. All copies of this Document must have the original notarized signature of the General Contractor (or his approved designee). The executed G702's are then sent to the Observing Architect for his review and approval. All copies of the G702 signed by the Observing Architect are then sent to the Mortgagor.

After receiving the G702, the Mortgagor should review the items approved and enter the gross amount requested on the Application and Authorization for Payment, PHFA Form P-2. All other non-construction payments requested (interest, architect's fee, etc.) must be enumerated on the P-2 with invoices attached. The P-2 must have the original signature of the Mortgagor. All improperly executed or incomplete documents will be returned. At this time, if applicable, the Mortgagor should have the Title Company

or its Agency prepare an updated title endorsement and send it directly to the Finance Division. This endorsement must be received and approved **before** checks can be released. Sending the payout package to any other Division within the Agency may result in processing delay.

The Agency will review all documents and, **if all are in order**, and the Agency has received deposits in accordance with the Disbursement Agreement sufficient to fund the payment request, we will mail checks within seven (7) business days of receipt of the payout package. For all non-construction items, the Agency will make the checks payable to the entity performing the work if the Mortgagor has not evidenced previous payment. Since the Mortgagor authorizes payment to the General Contractor upon execution of the P-2, the Agency will make construction payments directly to the General Contractor unless otherwise directed, in writing, by the Mortgagor.

#### 5. Title Bringdown/Updated Endorsement

An updated endorsement to the title insurance policy will be required in the event said policy contains a "pending disbursement clause," which denies insurance unless proof of actual disbursements under the loan is made. This endorsement must be submitted with each Application and Authorization for Payment of mortgage proceeds beginning with the second Application and Authorization for Payment.

**A title bringdown will be required at the end of construction for all projects.** Final loan closing and disbursement can not occur until the title bringdown/final endorsement is received and approved by PHFA.

#### 6. PHFA Interest

Interest will be calculated and invoiced monthly. Interest is charged on the daily outstanding principal balance in accordance with the Mortgage Note(s) executed for the project.

#### 7. PHFA Financing Fees

The Agency will charge an origination fee to offset expenses incurred in issuing notes and bonds, reviewing submissions, determining project feasibility, and inspecting construction. Additionally the Agency will also assess other application and closing fees. See PHFA's Multi-family Loan Program Application Guidelines for applicable fees.

#### 8. Land

In those cases where the approved land valuation includes carrying costs, acquisition costs or relocation costs, invoices to substantiate these costs must be submitted, reviewed and approved. Any adjustment to land value such as the offsite improvements or demolition will only be paid as such work is completed. In no case shall the total disbursed for land and offsite improvements exceed the appraised value or the actual purchase price (as evidenced by the Title Company).

#### 9. Insurance

The Agency's insurance requirements are attached. The amount capitalized in the mortgage is intended as insurance during construction.

#### 10. Change Orders

Change orders increasing the construction contract price will be funded through the construction contingency account or letter of credit established prior to the initial loan closing. The amount of change orders, which decrease the contract price, will be placed

into the construction contingency account. Please submit change order increases and decreases as separate change orders using PHFA Form C-5. If the contingency account has been fully disbursed and there are additional change orders to be processed, the Mortgagor must fund these change orders. If a change order is not funded by the Mortgagor prior to the Agency's final review and approval, the Development Contingency Fund Letter of Credit may be drawn down for the required proceeds. No payouts will be processed if there are change orders outstanding that need Mortgagor provided funding. Excess funds deposited by the owner for change orders will be refunded to the Mortgagor at final loan closing. At the Agency's discretion, excess funds in the construction contingency account may be used to fund overages that have occurred in soft costs. The construction contingency letter of credit will be released at final loan closing.

#### 11. Cost Certification

A Cost Certificate prepared by both the Mortgagor and the General Contractor is required on every development. This is not a certified audit by a CPA firm. The Agency has prepared Development Cost Certificate forms for this process.

The Agency also reserves the right, notwithstanding any agreement to the contrary, to utilize, at its sole discretion, any eventual mortgage "savings" as it sees fit to the benefit of the project.

The Agency will also accept a copy of the Total Project Cost Certification that is prepared by an accountant for the Agency's Tax Credit Department in place of the Mortgagor's Cost Certificate.

#### 12. One Hundred Percent (100%) Payout/Preparation for Cost Certification Cutoff

##### a. Occupancy:

Certificates of Occupancy are issued by the Technical Services Division only on approved stages or a completed project. If an approved staging plan is in effect, a Certificate of Occupancy will be issued on completed building groups provided that public areas and tenant services are complete and available.

Units prepared for occupancy shall be completed and ready for inspection by the Technical Services Representative and Observing Architect not less than 5 working days prior to anticipated occupancy.

The Technical Services Representative and Observing Architect will conduct an inspection and prepare a punchlist of the items to be corrected or repaired not more than 15 days from the date the list is prepared nor less than 2 days prior to the issuance of a Certificate of Occupancy by the Technical Services Division.

When notified by the General Contractor that the punchlist items have been completed, the Technical Services Representative shall conduct an inspection to determine if the work has been completed to the Agency's satisfaction.

The Technical Services Division will issue the Certificate of Occupancy for the portion designed for use provided the following provisions have been met:

- 1) Occupancy and elevator permits have been issued by the Pennsylvania Department of Labor and Industry; and
- 2) An occupancy permit has been issued by the local, political subdivision having jurisdiction over the project; and

3) A Certificate of Substantial Completion signed by all parties has been submitted to the Agency by the Construction Administration Architect.

b. Final Inspection:

Following the issuance of the Certificate of Occupancy, a Final Inspection will be held to determine the acceptability of the project as a whole and to determine the Date of Actual Construction Completion.

The final inspection will be conducted by the Construction Administration Architect with representatives of the Agency, Owner, and General Contractor. This inspection must cover all interior and exterior items, which have not been completed or corrected, and items awaiting seasonal opportunity.

When all final inspection punchlist items have been completed, with the exception of seasonal items, the Construction Administration Architect shall execute a Final Inspection Form and forward it to the Technical Services' Manager of Facilities and Construction Operations. If this form is in compliance with these procedures, the Agency will issue a Certificate of Construction Completion to the Owner, Construction Administration Architect, and General Contractor establishing the Date of Actual Construction Completion.

The one-year guarantee period and the respective responsibilities for the Construction Administration Architect and General Contractor will commence as of the project's Substantial Completion Date as certified by the Agency.

13. Completion of Forms

Any errors or omissions (e.g. photocopied or missing signatures) on the forms submitted will delay the issuance of checks. Incorrect forms will be mailed back to the Mortgagor for resubmission.

a. Application and Authorization for Payment P-2

This form is to be used for all project costs.

The Mortgagor will prepare the P-2 immediately upon receiving the Field Work Sheet from the General Contractor by listing the approved gross total of construction items shown on the work sheet in the space provided on the P-2. All non-construction costs requiring payment, including the Agency's construction interest charge, are also listed. A copy of each invoice must be submitted with the payout package. A total for all items, including construction, must appear on the bottom of the payment application. Agency adjustments to the requested amounts will be noted on the P-2.

1) Heading

|                            |  |
|----------------------------|--|
| Payment Application Number | Initial payout number 1 and thereafter number consecutively each month     |
| Development                | Name of Development  |
| PHFA Number                | As assigned by PHFA for identification                                     |
| Period From                | Last Construction field cutoff date to this construction field cutoff date |

2) Authorization

The Mortgagor must authorize payment of all items listed on PHFA Form P-2. The application will not be considered a valid request unless an original signature of the Mortgagor appears on this document.

14. Addresses

With the initial payout application, the Mortgagor must submit a list of the names and addresses of all known vendors (subcontractors, general contractor, architects, attorney, etc.). If new vendors are shown on subsequent payouts, the Mortgagor must submit the name and mailing address with the payment application.

DOCUMENTS NECESSARY TO PROCESS PAYMENT

1. Two (2) copies of Observing Architect's AIA Certificate for Payment (AIA Document G702).
2. Two (2) Originally Signed Applications for Payment (Form P-2).
3. Two (2) copies of each non-construction invoice for which payment is being requested. An invoice is usually not necessary for construction payments (except bond premium insurance and building permits – invoices or copies of permits are required). If the Mortgagor is requesting reimbursement for payments he made, the Agency requires a copy of the canceled check in addition to the invoice or an invoice marked "paid" by the vendor.
4. Updated Title Endorsement, if applicable.

All materials shall be promptly submitted to:

Finance Division  
Pennsylvania Housing Finance Agency  
211 North Front Street  
PO Box 8029  
Harrisburg, PA 17105-8029

Any incorrect forms will be mailed back to the Mortgagor. The checks drawn from mortgage proceeds will be mailed when the corrected forms are received, funding is available and all documents are approved and processed by the Agency.

## ARCHITECT'S RETENTION

### Arch-6

#### A. Design Architect

1. The Design Architect will have 2.5% of their fee retained at initial closing.
2. The minimum amount to be withheld for the design fee will be \$1,600.
3. If PHFA is satisfied with the performance of the design professionals at the end of the construction period, the retainage will be paid. Acceptable and complete Record (As-Built) drawings and all maintenance and operating manuals must be in the possession of the Owner and PHFA before payment will be made.

#### B. Construction Administration Architect

1. The Construction Administration Architect will have 2.5% of their fee retained at initial closing.
2. The minimum amount to be withheld for construction administration will be \$1,600.
3. The retainage will continue to be withheld from the Construction Administration Architect's fee to be used to pay for their attendance at quarterly guarantee meetings.
4. The Construction Administration Architects' \$1,600 retainage will be paid in equal installments after acceptable completion of each of the required guarantee meetings. The Construction Administration Architect must invoice PHFA after each quarterly guarantee meeting to receive payment of the retainage.

#### C. Construction Manager, Landscape Architect and other professionals

1. The Construction Manager, Landscape Architect and other professionals (if any) will have 2.5% of their fee retained at initial closing.
2. The minimum amount to be withheld for the construction manager, landscape architect and other professionals (if any) will be \$1,600.
3. The Construction Managers' \$1,600 retainage will be paid in equal installments after acceptable completion of each of the required guarantee meetings. The Construction Manager must invoice PHFA after each quarterly guarantee meeting to receive payment of the retainage.
4. If PHFA is satisfied with the performance of the landscape architect professionals at the end of the construction period, the retainage will be paid.
5. If retainage is withheld from other professionals, it will be released at the end of the construction period provided PHFA is satisfied with their performance.

PENNSYLVANIA HOUSING FINANCE AGENCY  
DURING CONSTRUCTION  
INSURANCE REQUIREMENTS CHECKLIST

Evidence of Insurance per the following requirements must be provided to PHFA before Initial Closing can take place on a development. Insurance must be placed with companies carrying a minimum AM BEST rating of B+ (very good) or better. The limits set forth in the Insurance Requirement Checklist are minimums required by PHFA. Parties to the Development Contract must individually determine if higher limits are appropriate to protect their interests.

OWNER REQUIREMENTS

The property must be insured with acceptable property and liability insurance policies and meeting the requirements described below. The **first Named Insured** in each policy must be the Owner, also known as the Partnership Name.

Evidence of insurance must be provided to PHFA before Initial Closing can take place. Evidence may be in the form of a Binder (Acord Form 75-S) or Evidence of Property Insurance (Acord Form 27) until the policy is issued. (Please note that a Certificate of Insurance is not acceptable as evidence.) A complete original or certified copy of the policy, including all coverage parts, must be provided to PHFA once it is issued.

The property must be covered by the equivalent of a fire policy endorsed to include all the extended coverage perils, plus vandalism, malicious mischief, theft, and other broad form perils. In addition, the policy must include the following:

\_\_\_\_\_ The **first Named Insured** of the property **must** be the Owner and then list the General Contractor and any Subcontractors, as their interest may appear.

\_\_\_\_\_ Builder's Risk Coverage – Completed Value Form.

\_\_\_\_\_ All Risk or Special Coverage.

\_\_\_\_\_ Standard Mortgagee Clause naming Pennsylvania Housing Finance Agency as Mortgagee. (**Note:** For all FHA INSURED LOANS, the Federal Housing Administration must also be listed as Mortgagee on property policies.)

\_\_\_\_\_ Building coverage to be carried at 100 percent of completed value. (The Contractor and Subcontractors are responsible for insuring stored materials not permanently incorporated into the development.)

\_\_\_\_\_ Property deductible of \$10,000 or less. Insurance policies with deductibles greater than \$10,000 must include proof of a self-insured retention fund established for the payment of property deductibles.

Examples of proof: (a) Trust Fund Agreement that includes payment of property deductible; (b) Third-party Administrator (TPA) Agreement or Insurance Company Agreement with specific funds contractually set aside for deductible; (c) Self-Insurance Surety Bond in an amount approved by PHFA.

***In no event may project operating funds be used to fund the self-insured retention fund.***

\_\_\_\_\_ Business Income Coverage (Rental Value) for 100 percent of Annual Projected Rental Value.

\_\_\_\_\_ A Permission for Partial Occupancy Endorsement is required for developments that are to be

staged, have scattered locations, or multiple buildings.

\_\_\_\_\_ An endorsement that states in the event of cancellation, reduction in coverage, or nonrenewal that a 60-day written notice will be sent to the Mortgagee (PHFA) and General Contractor.

If a development is occupied by tenants during the entire construction period, in addition to all of the above, the following are also required:

\_\_\_\_\_ Acknowledgment on the policy that “the insurance company hereby acknowledges that the building(s) is/are under renovation.”

\_\_\_\_\_ Replacement Cost Endorsement

#### **Other Required Coverage (where applicable)**

\_\_\_\_\_ Contents coverage (lobby and office furnishings), where applicable.

\_\_\_\_\_ Flood Insurance – If the property is located in a 100-year flood zone, flood insurance must be purchased and evidence supplied to PHFA.

\_\_\_\_\_ A general Boiler and Machinery policy is required where steam boilers, pipes, turbines, engines, or other pressure vessels are in operation on the property. The policy should be in an amount equal to 100 percent of the full replacement cost of the building(s) housing the equipment. The coverage should be comprehensive. Named insured to include Owner and Contractor.

\_\_\_\_\_ Mine subsidence/Earthquake insurance is required on those properties in areas that are prone to this exposure.

#### **Commercial General Liability Insurance**

\_\_\_\_\_ Commercial General Liability Insurance is required with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 general aggregate per Location (CG 2504). Liability coverage must provide for claims to be made on an occurrence basis.

\_\_\_\_\_ PHFA named as Additional Insured as Mortgagee, Assignee, or Receiver.

\_\_\_\_\_ Business Automobile Liability – (ONLY for developments with development-owned vehicles). Minimum limit of \$500,000 per accident for Bodily Injury and Property Damage, including coverage for Hired and Nonowned Autos.

\_\_\_\_\_ Umbrella (Excess) Liability – Necessary amount of coverage to increase general liability aggregate limits to a minimum of \$2,000,000. Follow form coverage to apply.

\_\_\_\_\_ Garage Keeper’s Legal Liability – (ONLY if garage facilities are provided with the property or attendants are employed for outdoor parking facilities.)

### **GENERAL CONTRACTOR REQUIREMENTS**

Certificate of Insurance indicating a minimum of the following categories:

\_\_\_\_\_ Commercial General Liability specific to the development including (1) Premises and Operations, (2) Products/Completed Operations with Permission for Partial Occupancy, (3) Personal Injury, (4) Contractual Liability, (5) Explosion, Collapse, and Underground Hazards coverage – Minimum limit of \$1,000,000 per occurrence and \$2,000,000 aggregate liability per development (CG 2503). Coverage must provide for claims to be made on an occurrence form.

- \_\_\_\_\_ Business Automobile Liability - \$1,000,000 minimum limit per Accident for Bodily Injury and Property Damage.
- \_\_\_\_\_ Workers' Compensation – Statutory Limits.
- \_\_\_\_\_ Umbrella (Excess) Liability – Necessary amount of coverage to increase underlying general liability aggregate limits to a minimum of \$2,000,000. Follow form coverage to apply.
- \_\_\_\_\_ Owner, Architect, Architect's Consultants, PHFA, and agents and employees of any of these entities, named as Additional Insured for this development on General Liability and Umbrella policies.
- \_\_\_\_\_ All Risk Property Coverage for on-site stored material that is not the property of the Owner and not permanently incorporated into the development.
- \_\_\_\_\_ Certificates must indicate Owner and PHFA as the Certificate Holder.
- \_\_\_\_\_ Certificates must include a 60-day Notice of Cancellation or Nonrenewal to Owner and PHFA.

### ARCHITECT REQUIREMENTS

A Certificate of Insurance is required as evidence with PHFA as Certificate Holder, a 60-Day Notice of Cancellation, and the following coverage:

- \_\_\_\_\_ Architects Professional Liability (Design and Supervising) in an amount no less than 2½ percent of the construction cost of the development or \$500,000, whichever is greater. **The policy must be kept in place for one year following construction completion.**

PENNSYLVANIA HOUSING FINANCE AGENCY

**AFTER CONSTRUCTION COMPLETION  
INSURANCE REQUIREMENTS CHECKLIST**

Insurance must be placed with companies carrying a minimum AM BEST rating of B+ (very good) or better. The limits set forth in the Insurance Requirement Checklist are minimums required by PHFA. Parties to the Development Contract must individually determine if higher limits are appropriate to protect their interests.

**OWNER REQUIREMENTS**

**Property Damage Insurance**

The property must be continuously insured with acceptable property and liability insurance policies and meeting the requirements described below. The named insured in each policy must be the Owner, also known as the Partnership Name.

The original or certified copy of the insurance policy, including DEC pages and all coverage parts, must be submitted to PHFA. Until the policy is issued, a Binder (Acord Form 75-S) or Evidence of Property Insurance (Acord Form 27) must be sent to PHFA as evidence of coverage.

The property must be covered by the equivalent of a fire policy endorsed to include all the extended coverage perils, plus vandalism, malicious mischief, theft, and other broad form perils. In addition, the policy must include the following:

- \_\_\_\_\_ All Risk or Special Coverage.
- \_\_\_\_\_ Standard Mortgagee Clause naming Pennsylvania Housing Finance Agency as Mortgagee. (**Note:** For all FHA INSURED LOANS, the Federal Housing Administration must also be listed as Mortgagee on property policies.)
- \_\_\_\_\_ Building coverage to be carried at 100 percent of replacement value for single buildings or 90 percent of total replacement value on a blanket basis for multiple buildings or multiple locations.
- \_\_\_\_\_ Property deductible of \$10,000 or less. Insurance policies with deductibles greater than \$10,000 must include proof of a self-insured retention fund established for the payment of property deductibles.  
  
Examples of proof: (a) Trust Fund Agreement that includes payment of property deductible; (b) Third-party Administrator (TPA) Agreement or Insurance Company Agreement with specific funds contractually set aside for deductible; (c) Self-Insurance Surety Bond in an amount approved by PHFA.  
  
***In no event may project operating funds be used to fund the self-insured retention fund.***
- \_\_\_\_\_ Replacement Cost Coverage, i.e., an endorsement or clause that provides for all claims to be made on a replacement cost basis (not on an actual cash value basis) and without any deduction being made for depreciation.
- \_\_\_\_\_ An Agreed Value Clause, waiving the coinsurance, which must be updated annually.
- \_\_\_\_\_ Business Income coverage (Rental Value) for 100 percent of Annual Rental Value.
- \_\_\_\_\_ Contents coverage (lobby and office furnishings), where applicable.

\_\_\_\_\_ An endorsement that states in the event of cancellation, reduction in coverage, or nonrenewal that a 60-day written notice will be sent to PHFA, the Mortgagee.

### **General Boiler and Machinery**

\_\_\_\_\_ A general boiler and machinery policy is required where steam boilers, pipes, turbines, engines, or other pressure vessels are in operation on the property. The policy should be in an amount equal to 100 percent of the full replacement cost of the building(s) housing the equipment. The coverage should be **comprehensive**.

### **Flood Insurance**

\_\_\_\_\_ If the property is located in a 100-year flood zone, flood insurance must be purchased and evidence supplied to PHFA.

### **Mine Subsidence/Earthquake Insurance**

\_\_\_\_\_ Mine Subsidence and Earthquake Insurance are required on those properties in areas that are prone to this exposure.

### **Commercial General Liability Insurance**

\_\_\_\_\_ Commercial General Liability Insurance is required with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 general aggregate. Liability coverage must provide for claims to be made on an occurrence basis. For properties written on a blanket basis, Form ISO CG 2504 for Aggregate Commercial General Liability must be attached.

\_\_\_\_\_ PHFA named as Additional Insured as Mortgagee, Assignee, or Receiver.

\_\_\_\_\_ If the General Liability coverage is a separate policy from the Property coverage, a Certificate of Insurance is required by PHFA as evidence of coverage. A copy of the policy is not necessary.

### **Other Liability Coverage (if applicable)**

\_\_\_\_\_ Business Automobile Liability – (ONLY for developments with development-owned vehicles). Minimum limit of \$500,000 per Accident for Bodily Injury and Property Damage, including coverage for Hired and Nonowned Autos.

\_\_\_\_\_ Umbrella (Excess) Liability – Necessary amount of coverage to increase general liability aggregate limits to a minimum of \$2,000,000. Follow form coverage to apply.

\_\_\_\_\_ Garage Keeper's Legal Liability – (ONLY if garage facilities are provided with the property or attendants are employed for outdoor parking facilities).

## **MANAGEMENT AGENT REQUIREMENTS**

\_\_\_\_\_ The Management Agent of the property is required to have Fidelity Bond or Employee Dishonesty (Coverage A) to cover all persons involved in the handling of funds of the agent, owner, and property. PHFA requires as evidence a Certificate of Insurance indicating coverage equal to one month's rent and PHFA named as Certificate Holder.

## **ARCHITECT REQUIREMENTS**

\_\_\_\_\_ Architect's Professional Liability **must remain in effect for one year following Construction Completion** in an amount no less than 2½ percent of the construction cost of the project or

\$500,000, whichever is greater. Evidence must be provided to PHFA in the form of a Certificate of Insurance with PHFA indicated as Certificate Holder and must include a 60-day Notice of Cancellation.