Commercial Real Estate Construction Lending Checklist

Presented by:

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CLOSING CHECKLIST

[INSERT PROJECT NAME]

LENDER	[INSERT CONTACT INFO]
BORROWER	[INSERT CONTACT INFO]
GENERAL PARTNER	[INSERT CONTACT INFO]
GUARANTORS	[INSERT CONTACT INFO]
LOAN	$[____________]construction loan
PROPERTY	[INSERT LEGAL DESCRIPTION]
IMPROVEMENTS	[INSERT DESCRIPTION]
LENDER'S COUNSEL "LC"	[INSERT CONTACT INFO]
BORROWER'S COUNSEL "BC"	[INSERT CONTACT INFO]
TITLE COMPANY "TC"	[INSERT CONTACT INFO]
ENGINEER	[INSERT CONTACT INFO]
ARCHITECT	[INSERT CONTACT INFO]
CONTRACTOR	[INSERT CONTACT INFO]
SELLER	[INSERT CONTACT INFO]

A. Loan Application.

Document	Responsible Party	Status	Comments
1. Current Financial Statements and Tax Returns of the Borrower and/or Guarantors	Borrower		
2. Credit Authorization	Lender		
3. Loan Commitment Letter	Lender		
4. Appraisal of Property	Lender		
5. Appraisal Review	Lender		
6. Environmental Site Assessment of Property	Lender		
7. Environmental Review	Lender		
8. Market Feasibility Study	Lender		
9. Plan and Cost Review	Lender		
10. Flood Certification	Lender		

B. Borrower's Authority Documents.

Document	Responsible Party	Status	Comments
1. Copy of Limited Partnership Agreement	BC		
2. Certificate of Formation certified by the Texas Secretary of State	BC		
3. Certificate of Existence issued by Texas Secretary of State	LC		
4. Certification of Account Status issued by Texas Comptroller of Public Accounts	LC		
5. Tax Identification Number	BC		
6. General Partner's Certificate	BC/LC		

C. General Partner's Authority Documents.

Document	Responsible Party	Status	Comments
1. Certificate of Formation certified by Texas Secretary of State	BC		
2. Copy of Company Agreement	BC		
3. Certificate of Existence issued by Texas Secretary of State	LC		
4. Certification of Account Status issued by Texas Comptroller of Public Accounts	LC		
5. Manager's/Secretary's Certificate	BC/LC		

D. Concerning Title to the Property.

Document	Responsible Party	Status	Comments
1. Commitment for Lender's Title Insurance issued by Title Company, addressed to Lender and for the amount of the Loan	Borrower		
2. Copies of all instruments or exceptions listed in the Commitment as affecting title to the Property	Borrower		
3. Tax certificates from the tax assessor-collectors of all taxing authorities having jurisdiction over the Property	Borrower		
4. Current financing statement search from the Secretary of State of Texas with copies of all financing statements listed in the search	LC		

5. Survey of the Property certified and acceptable to Lender	Borrower		
6. Metes and bounds legal description of the Property	Borrower		

E. **Construction Approvals.**

Document	Responsible Party	Status	Comments
1. Evidence that the Property is not in a flood hazard area	Borrower		
2. Appropriate government ordinance confirming that the Property is zoned to permit its use	Borrower		
3. Evidence that all streets necessary for access to the Property have been completed, dedicated and accepted for public use and maintenance	Borrower		
4. Letters from the appropriate governmental officials confirming availability of utilities at the boundaries of the Property to provide adequate water, sanitary sewer and storm sewer service for the Property, and paid tap fee receipt	Borrower		
5. Letter from appropriate utility company regarding availability of: (a) natural gas lines,(b) electric power lines, (c) telephone lines, and (d) cable TV	Borrower		
6. Copy of the approved subdivision plat of the Property	Borrower		
7. Copy of the site plan for the Improvements	Borrower		
8. Copy of the site development permit for the Improvements	Borrower		
9. Plans and specification for the Improvements	Borrower		
10. Copy of the building permit for the Improvements	Borrower		
11. Water pollution abatement plan and permit (TCEQ)	Borrower		
12. Geotech/Soils Report	Borrower		

F. **Construction Agreements.**

Document	Responsible Party	Status	Comments
1. Agreement between Borrower and Engineer	Borrower		
2. Engineer's consent and certificate	LC		
3. Agreement between Borrower and Architect	Borrower		
4. Architect's consent and certificate	LC		
5. Construction contract between Borrower and Contractor	Borrower		
6. Contractor's consent	LC		
7. Contractor's payment and performance bond (with dual oblige rider)	Borrower		
8. Contractor's general liability, workers' compensation and comprehensive automobile insurance	Borrower		
9. Detailed cost breakdown and budget for the construction of the Improvements	Borrower		

G. Loan Documents.

Document	Responsible Party	Status	Comments
1. Construction Loan Agreement	LC		
2. Promissory Note	LC		
3. Deed of Trust	LC		
4. UCC-1 Financing Statement	LC		
5. Environmental Indemnity Agreement	LC		
6. Payment Guaranty - Guarantor	LC		
7. Performance Guaranty - Guarantor	LC		
8. Assignment of Completion Deposit Account	LC		
9. Assignment of Plans and Construction Contract	LC		
10. Closing Certificate of the Borrower	LC		
11. Notice of Final Agreement	LC		
12. Notice by Lender's Attorney to Borrower	LC		
13. IRS Form W-9 -Borrower	LC		
14. IRS Form W-9 – Guarantor(s)	LC		
15. Opinion Letter of Borrower's counsel	BC		

H. Insurance.

Document	Responsible Party	Status	Comments
1. Original policies of hazard/builder's risk insurance	Borrower		
2. Certificate of Comprehensive General Liability insurance	Borrower		
3. Rent loss or business interruption insurance	Borrower		
4. Flood insurance if Property exists within flood hazard area	Borrower		

I. Operation of the Property.

Document	Responsible Party	Status	Comments
1. Property Management Agreement	Borrower		
2. Lease Agreement	Borrower		
3. SNDA	LC		

J. Ancillary Closing Matters.

Document	Responsible Party	Status	Comments
1. Closing instructions to Title Company	LC		
2. Loan Policy of Title Insurance	TC		
3. Insured closing letter	TC		
4. Closing/Settlement Statements	TC		
5. Payoffs	TC		
6. Payment of loan fees and expenses	Borrower		
7. Wire transfer instructions	TC		
8. Operating account signature card	Lender		

K. **Conveyance of the Property.**

Document	Responsible Party	Status	Comments
1. Earnest Money Contract	Seller		
2. Warranty Deed with Vendor's Lien	Seller		
3. Release(s) of existing liens	Seller		
4. Release of existing financing statement(s)	Seller		
5. FIRPTA Notice	Seller		
6. Affidavit of Debts and Liens	TC		
7. Assignment of Contract	Borrower		

I would like to thank Michelle M. Moore at Jackson Walker, LLP for assistance in the preparation of these materials.