



## MANAGING AGENT CHANGE REQUIREMENTS FOR BORROWERS

The proposed managing agent must successfully complete the review process and be in good standing with HDC and **will not** be appointed until HDC has granted written approval authorizing the change. Failure to adhere to this requirement is a violation of the project’s Regulatory Agreement with HDC and will disqualify the unapproved managing agent from further involvement with the project.

Below is a list of documents required to complete the managing agent change request. Note that the typical processing time to review and approve managing agent changes is **6-8 weeks**. Borrowers are encouraged to seek approval as soon as they anticipate a change.

Requirement	Description
<input type="checkbox"/> Formal Request Letter	Formal request letter on the borrower’s letterhead specifying the project(s) for which approval of the managing agent change is being requested. The letter should include the following details: <ul style="list-style-type: none"> <li><input type="checkbox"/> Project Name(s) and HDC Project Number(s)</li> <li><input type="checkbox"/> Proposed Managing Agent Name and Primary Contact</li> <li><input type="checkbox"/> Targeted effective date for the change</li> </ul>
<input type="checkbox"/> Organizational Documents or Resume	Document that identifies the principals of the proposed managing agent, their prior property management experience, and their roles.
<input type="checkbox"/> List of Current Properties	A list of all properties that the proposed managing agent currently manages, including but not limited to the following: <ul style="list-style-type: none"> <li><input type="checkbox"/> Property Addresses</li> <li><input type="checkbox"/> Number of buildings and units for each address</li> <li><input type="checkbox"/> Type of affordable housing program (e.g., LIHTC, tax-exempt bond financing, Section 8, or other governmental funding program)</li> <li><input type="checkbox"/> Monitoring agency involved (e.g., HDC, HPD, HCR, HUD, etc.)</li> </ul> Submitted in the required template in MS Excel: List of Current Properties – Managing Agent
<input type="checkbox"/> Disclosure Documents	Submit Disclosure documents to HDC. Visit <a href="https://www.nychdc.com/develop">https://www.nychdc.com/develop</a> , and navigate to <b>Important Forms &gt; Disclosure Documents</b> .
<input type="checkbox"/> Eviction Prevention Certification	Complete the Eviction Prevention certification: Visit: <a href="https://www.nychdc.com/manage">https://www.nychdc.com/manage</a> , navigate to <b>Current Property Owner Resources</b> , review the Eviction Prevention Requirements, and complete the <a href="#">Eviction Rate Questionnaire</a> .
<input type="checkbox"/> Management Plan (Draft)	Draft of the proposed management plan (in MS Word format) detailing how the proposed managing agent will manage the project(s). The management plan must include information on: <ul style="list-style-type: none"> <li><input type="checkbox"/> <u>Operating Plan</u>: Outline plans for property maintenance, rent collection, security, tenant relations, property specific regulatory requirements, and other operational aspects.</li> </ul>



Requirement	Description
	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Staffing Plan:</b> Provide details on how the proposed managing agent will be staffed or restructured to effectively manage and support the needs of the new project(s). This should include a list of staff who will be directly involved with each property.</li> <li><input type="checkbox"/> <b>Transition Plan:</b> Provide details outlining the steps the new managing agent will take to ensure a smooth handover from the current management, including: resident communication, resident portal access, service contract and vendor transition, banking and financial account transfers, transfer of tenant files, financial records, all correspondence and archived documents, and other essential documents required for regulatory and program compliance, and any other critical items necessary for continuity.</li> </ul> <p>Refer to the Management Plan Template for additional requirements.</p> <p><b>HDC must approve the management plan prior to execution.</b></p>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Management Agreement (Draft)</li> </ul>	<p>Draft of the proposed management agreement/ contract (in MS Word format) between the proposed managing agent and the borrower. The Management Agreement must identify property specific and program regulatory requirements, the fee structure and include language acknowledging HDC’s authority to require termination, as outlined in the HDC regulatory agreement.</p> <p><b>HDC must approve the management agreement prior to execution.</b></p>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Assignment and Subordination of Management Agreement (Draft)</li> </ul> <p><i>Required for each project with an outstanding HDC mortgage.</i></p>	<p>Complete the attached Assignment and Subordination Agreement (MS Word format):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Recital A must include all outstanding HDC senior and subordinate loans.</li> <li><input type="checkbox"/> Recital B must include all outstanding HDC senior and subordinate notes.</li> </ul> <p>Submitted in the required template in MS Word: Form of Assignment and Subordination of Management Agreement</p> <p><b>HDC must approve the assignment and subordination agreement prior to execution.</b></p>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Non-refundable Servicing Fee</li> </ul>	<p>Non-refundable servicing fee, payable by the borrower is required for the review of a change in managing agent. HDC will confirm the fee amount and provide wire transfer instructions once the complete application is received.</p>