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.

Legal Representation: Managing Agents must designate an attorney or legal representative to lead their review of HDC's comments on the management plan, management agreement, and Assignment and Subordination of Management Agreement, as well as any Back-Office/ Sub-Agent Agreements, once HDC's internal review is complete. Managing Agents must confirm who will serve in this role and include the designated counsel in the request to ensure they are included in all related correspondence.

Back-Office/Sub-Agents: If a Managing Agent lacks direct Asset Management experience with HDC-financed properties, they may be required to engage a Back-Office/ Sub-Agent. The Back-Office/ Sub-Agent must complete the same review and disclosure process as the Managing Agent. At the start of the process, Managing Agents must identify any proposed Back-Office/ Sub-Agent and provide their contact information to ensure inclusion in all related correspondence.

NO MANAGING AGENT CHANGES WILL BE PROCESSED UNTIL ALL REQUIRED DOCUMENTS HAVE BEEN SUBMITTED.

Submit all request electronically, including all required supporting documentation, to propertytransfers@nychdc.com

Requirement	Description
☐ 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: ☐ Project Name(s) and HDC Project Number(s) ☐ Proposed Managing Agent Name and Primary Contact ☐ Targeted effective date for the change
☐ Organizational Documents or Resume	Document that identifies the principals of the proposed managing agent, their prior property management experience, and their roles.
☐ List of Current Properties	A list of all properties that the proposed managing agent currently manages, including but not limited to the following: ☐ Property Addresses ☐ Number of buildings and units for each address ☐ Type of affordable housing program (e.g., LIHTC, tax-exempt bond financing, Section 8, or other governmental funding program) ☐ Monitoring agency involved (e.g., HDC, HPD, HCR, HUD, etc.) Submitted in the required template in MS Excel: List of Current Properties – Managing Agent

Requirement	Description
☐ Disclosure Documents	Proposed Managing Agent, Back Office Agent, or Sub-Agent must submit Disclosure documents to HDC. Visit https://www.nychdc.com/develop, and navigate to **Important Forms** > **Disclosure Documents.**
☐ 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: ☐ Operating Plan: Outline plans for property maintenance, rent collection, security, tenant relations, property specific regulatory requirements, and other operational aspects. ☐ Staffing Plan: 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. ☐ Transition Plan: 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. Refer to the Management Plan Template for additional requirements. **HDC must approve the management plan prior to implementation.**
☐ Management Agreement (Draft)	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, including the managing agent's Fidelity Bond and the fee structure as well as include language acknowledging HDC's authority to require termination, as outlined in the HDC regulatory agreement. **HDC must approve the management agreement prior to execution.**
☐ Assignment and Subordination of Management Agreement (Draft) *Required for each project with an outstanding HDC mortgage.*	Complete the attached Assignment and Subordination Agreement (MS Word format): ☐ Recital A must include all outstanding HDC senior and subordinate loans. ☐ Recital B must include all outstanding HDC senior and subordinate notes. Submit in the required template in MS Word: Form of Assignment and Subordination of Management Agreement **HDC must approve the assignment and subordination agreement prior to execution.**

Requirement	Description
☐ Back-Office/Sub-Agent Agreement (Draft)	Draft of the proposed Back-Office/Sub-Agent management agreement (in MS Word format) between the primary managing agent and the Back-Office/ Sub-Agent, which must outline the separation in management functions, each party's specific roles, and staff assigned to each function. **HDC must approve the Back-Office/ Sub-Agent management agreement prior to execution.**
☐ Fidelity Bond	Provide a copy of the Managing Agent's Fidelity Bond, including coverage for any Back-Office entities, Sub-Agents, or similar parties performing work related to property management. ☐ The fidelity bond must be current and in effect for the applicable policy period. ☐ Coverage amount must be no less than three (3) times the gross rent, or such other amount as required under the applicable Regulatory Agreement. ☐ Coverage must extend to all employees and officers of the Managing Agent and any Back-Office or Sub-Agents.
☐ Non-refundable Servicing Fee	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.