

PROJECT COSTS AND BORROWER CONTRIBUTION INFORMATION SHEET

NEDCO values its relationship with its lending partners and works hard to make the loan closing process operate as efficiently as possible. In order to facilitate this process, NEDCO has created this Information Sheet to explain what will be required of the Bank and Borrower in matters related to Project Costs and the Borrower's Contribution. While this Information Sheet provides you general information, please contact us to discuss specifics as they relate to your Project.

I. **Evidence of Project Costs and Borrower Contribution** – NEDCO must review project costs after completion of your Project to confirm that the funds spent by the Borrower or paid for by the Bank are eligible for 504 financing. What you will need to provide NEDCO depends upon the nature of your 504 Project.

- a. **Land (and existing Improvement) Costs** – The Borrower should provide NEDCO a certified settlement statement.
- b. **Construction Costs** – The Bank should provide NEDCO an AIA disbursement form or internal disbursement orders/summaries that are substantially similar to AIA disbursement form. If the expense was paid by the Borrower, then the Borrower's expense should be evidenced by the Borrower's Disbursement Summary. A copy of the Disbursement Summary is attached for the Borrower's convenience.
- c. **Equipment Costs and Professional Fees** – The Bank should provide NEDCO a copy of a disbursement order/summary reflecting payment to equipment vendors or professionals. If the expense was paid by the Borrower, then it should be evidenced by the Borrower's Disbursement Summary.
- d. **Bank Fees/Costs (Interim interest, points, origination fees)** – The Bank should provide NEDCO a copy of a ledger or loan summary reflecting payment of these costs.

II. **Project Costs and Borrower Contribution Suggestions** – Keep these suggestions in mind.

- a. Consider creating just one note for the Bank and 504 Portion.
- b. Do not amortize the Bank's portion of the project without first visiting with NEDCO.
- c. Fees, origination costs, points, etc charged to the Borrower in conjunction with the Bank's portion of the project are not eligible (but remember the same fees on the 504/interim portion are eligible).

Once NEDCO has received this information and reviewed the same we can work with you to determine what additional documentation is necessary. Most importantly, if you have any questions about project costs, the Borrower's Contribution, or what eligible project costs consist of, please contact us.