§ 1:1

CHAPTER 1. THE LAND LOAN

	process
§ 1:2	Initial considerations when acquiring raw land
§ 1:3	The speculator's role in the real estate development
	process
§ 1:4	—Land investors seek high returns
§ 1:5	——Predicting growth paths
§ 1:6	——Predicting demand for housing
§ 1:7	—Residential Mortgage Backed Securities
§ 1:8	—Land investors seek high returns—Predicting
	demand for multifamily and commercial project
	trends
§ 1:9	——Predicting demand for health care facilities
§ 1:10	— — Utilizing vacant urban land
§ 1:11	Incentives for building conversions
§ 1:12	The speculator's role in the real estate development
	process—Land investors seek high returns—Due
	process: contract breach by state
§ 1:13	—Duty to disclose to participant
§ 1:14	—Capital gain or ordinary income?

Raw land as the basis of the real estate development

- § 1:16 ——Capital gain on inventoried land
- § 1:17 —Amortizing land costs

capital gain

- § 1:18 —Opportunity funds look at brownfields
- § 1:19 —Immigration settlement patterns
- § 1:20 —Charitable deduction for tainted property
- § 1:21 —Direct grants and liability protection for brownfields
- § 1:22 —Liability of landowner knowing of contamination

§ 1:15 —Capital gain or ordinary income?—Qualifying for

§ 1:23 Donated land and the public purpose doctrine

I. ACQUISITION AND WAREHOUSING OF LAND BY DEVELOPERS

- § 1:24 The warehousing process
- § 1:25 Dangers of warehousing
- § 1:26 Land acquisition strategies
- § 1:27 Real options analysis

§ 1:28	Section 1031 like-kind exchange
§ 1:29	Exchanging development rights
§ 1:30	Conventional sources of land financing
§ 1:31	Lending policy and interagency guidelines for real
	estate lending
§ 1:32	Climate change influencing fiscal policies
§ 1:33	Underwriting standards
II. II	NSTITUTIONAL LAND FINANCING
§ 1:34	Underwriting considerations
§ 1:35	—Rating commercial land loans
§ 1:36	—New lending standards
§ 1:37	—Excluded transactions
§ 1:38	—Warning to regulated lenders
§ 1:39	Loan administration
§ 1:40	Three-party financing of land
§ 1:41	Investments: land purchase-leasebacks
§ 1:42	First-mortgage land loans
§ 1:43	—Drafting partial release provisions
§ 1:44	—Partial release after default
§ 1:45	Land warehousing by third-party ownership
§ 1:46	—Predevelopment land syndicates
§ 1:47	Land banks
§ 1:48	—State laws
§ 1:49	Land lease replacing equity
§ 1:50	Land financing with options
§ 1:51	—Options by speculator or developer
§ 1:52	Handling unique offers subject to first refusal
§ 1:53	Land financing with options—Option drafting
§ 1:54	——Drafting a rolling option
§ 1:55	—Real estate purchase agreement as option
§ 1:56	—Tax advantages and disadvantages
§ 1:57	—New rules for real estate options and contract rights
§ 1:58	Installment land-purchase contracts
§ 1:59	—Types of land-purchase contracts
§ 1:60	—Enforcement
§ 1:61	—Legal problems
§ 1:62	—Tax aspects
§ 1:63	——Payments received in year of sale
§ 1:64	——Computation and reporting of gain
§ 1:65	One-payment land-purchase contract with subordination of seller's fee

Purchase-money mortgage transactions

xxxii

§ 1:66

§	1:67	—Joint Venture Variations
§	1:68	Subordination provisions
§	1:69	—Amount of junior and senior indebtedness
	1:70	——Level of debt service
	1:71	— —Need for flexibility of senior debt
	1:72	—Junior lender safeguards in connection with
		subordination arrangements
§	1:73	—Safeguards for the senior lender
§	1:74	—Coordinating the terms of junior and senior
S	1.75	financing Local problems of subordination agreements
	1:75 1:76	—Legal problems of subordination agreements
8	1:70	— —Effect of subordination provisions on specific enforcement of real estate sale contracts
8	1:77	——Specific enforcement of subordination provisions
	1:78	——Obligatory advance rule
_	1:79	— — Modification of terms of senior debt to detriment
9	1.10	of junior lienholder
§	1:80	— — Duty of the construction lender to the
		subordinate lienholder
§	1:81	— — Cramdown in bankruptcy
§	1:82	Bankruptcy—Junior mortgages and lien stripping
§	1:83	Using escrows in real estate closings
§	1:84	—Land development and sale
§	1:85	—Installment sale contracts
§	1:86	—Land acquisition or assemblage
§	1:87	—Escrowee indemnity clause
§	1:88	Escrow agent's duty to disclose fraud
§	1:89	The institutional lender's role in seller-financed land acquisitions
§	1:90	—Junior lien on fee title
§	1:91	—Security in purchaser's interest under installment-purchase contract
§	1:92	—Security in seller's interest under installment contract
§	1:93	Land-loan and contract defaults and the effect of bankruptcy
Ş	1:94	—Lender's objectives and strategy
	1:95	—Junior lender defenses
	1:96	—Borrower defenses
	1:97	—Retaining the borrower's participation
	1:98	—The effect of intervening bankruptcy
	1:99	——Bankruptcy of contract vendee
-	1:100	— —Bankruptcy of contract vendor
	1:101	— — Mortgages as preferences
_	1:102	Subdivision trust agreements
Ð	_ · _ · _	

Ş	1:103	Deducting interest on land loans
	1:104	Land Financing Subject to Risk of Eminent Domain
		or Non-Compensable Taking—Risk of Exercise of
		Eminent Domain
§	1:105	Land financing subject to risk of eminent domain or
		non-compensable taking—Risk of non-compensable
_		taking
-	1:106	21-month moratorium not taking
-	1:107	Supreme Court expands public use
_	1:108	State taking limits
-	1:109	Aircraft noise not taking
-	1:110	Taking claim dismissed as not ripe
-	1:111	When new finding of blight required
-	1:112	Diminution in land value
-	1:113	Rezoning after permit was a taking
§	1:114	Acquisition after use restriction no bar to takings
		claim
-	1:115	No taking when use not restricted
_	1:116	Taking upheld despite benefit to private party
§	1:117	Eminent Domain—Private Pipeline Developer Can
		Exercise Federal Condemnation Powers Over State
_		Land
-	1:118	Taking as result of environmental regulation
-	1:119	Consequential damages for loss of access
-	1:120	Severance damages
§	1:121	Condemnation damages based on unity of land
_		doctrine
-	1:122	Flood barricade not taking
§	1:123	Takings: Inverse condemnation based on government
_		inaction
Ş	1:124	Takings: Inverse condemnation based on government
_		action
-	1:125	Inverse condemnation—Case illustrations
-	1:126	Takings: Reimbursed relocation expenses
_	1:127	Limiting compensation by operation of law
§	1:128	Purchase agreement with option to purchase adjoining parcels
§	1:129	Phased-purchase installment land contract
	1:130	Provisions for one-payment land-purchase contract
	1:131	Security agreement covering purchaser's interest
Ü		under an installment land-purchase contract
§	1:132	Security agreement covering seller's interest under
		an installment land-sale contract
§	1:133	Seller's option to finance sale
§	1:134	Fixed option agreement

§ 1:135 Sale of ranch for real estate development
 § 1:136 Three-cornered deferred exchange agreement with qualified intermediary
 § 1:137 Like-kind exchange with pass-through entities
 § 1:138 Line of credit for site acquisitions
 § 1:139 Development: using real options analysis

CHAPTER 2. THE LAND DEVELOPMENT LOAN

§ 2:1	Land development and its place in the overall development process
§ 2:2	—Land development by the developer who completes construction
§ 2:3	—Land development by the developer who sells prior to construction
§ 2:4	——Duty to disclose soil conditions
§ 2:5	— — Residential lots
§ 2:6	— —The industrial park developer
§ 2:7	—The Interstate Land Sales Full Disclosure Act
§ 2:8	— — The improved lot exemption
§ 2:9	— —Unconditional obligation
§ 2:10	——Exceptions to the unconditional obligation
§ 2:11	— — Habitable and usable requirement
§ 2:12	— —Manufactured homes may be considered residential buildings
§ 2:13	——Parties liable under the act
§ 2:14	——Reservations
§ 2:15	Using multiple exemptions
§ 2:16	Land development and its place in the overall development process—The Interstate Land Sales Full Disclosure Act—Penalties
§ 2:17	——State laws
§ 2:18	—Strong performance in single-family homebuilding
§ 2:19	——Elements of the homebuilding process
§ 2:20	——Sources of homebuilding returns
§ 2:21	— — Homebuilding risks
§ 2:22	—Asset management and the need for "exit strategies"
§ 2:23	——Determining need
§ 2:24	——Positioning the property
§ 2:25	——Implementing the exit strategy
§ 2:26	Underwriting, administrative, and legal considerations
§ 2:27	—Underwriting considerations
§ 2:28	— —Loan balance
§ 2:29	— — Mechanic's-lien protection

§ 2:30	——Criteria for evaluating development loans
§ 2:31	—Legal interests in the work of professionals
§ 2:32	— —Lender's approval of professionals employed
§ 2:33	— Lien rights of professionals and disbursement
3 =.00	procedures
§ 2:34	——Securing the lender's interest in the work product
3 = 10 1	of professionals
§ 2:35	—The pervasive effect of governmental regulations
§ 2:36	——Conditions of permit make project "uneconomic"
§ 2:37	——Altering permit requires evidence of impact on
3 2.0.	proposed development
§ 2:38	——Seeking zoning changes
§ 2:39	———Standing to sue city on rezoning
§ 2:40	— — — Affordable housing denial upheld
§ 2:40 § 2:41	——————————————————————————————————————
§ 2:41 § 2:42	———Zoning denial not discrimination
_	— — —Zoning demar not discrimination — — —Zoning ordinances and the Americans With
§ 2:43	Disabilities Act
§ 2:44	— — When developer's property interest protected
3	by due process
§ 2:45	———Restricting development rate impermissible
§ 2:46	— — Taking of non-productive land
§ 2:47	———Equitable estoppel of rezoning resolution
§ 2:48	———Exemption for religious institutions
§ 2:49	——Rights in governmental applications and
5 2.40	proceedings
§ 2:50	——Public opposition to new projects
§ 2:51	— — Downzoning held not discriminatory
§ 2:52	———Supreme Court permits referendum on site
\$ 2.02	plan
§ 2:53	———Disparate Impact under the Fair Housing Act
§ 2:54	Disparate impact illustrative cases
§ 2.54 § 2:55	Underwriting, administrative, and legal
§ ∠.აა	considerations—The pervasive effect of governmental
	regulations—Township can challenge zoning relief
§ 2:56	——Strategic lawsuits against public participants
§ 2.50 § 2:57	Anti SLAPP statutes—Illustrative cases
§ 2.57 § 2:58	
§ 2:58	Underwriting, administrative, and legal
	considerations—The pervasive effect of governmental regulations—Development agreements
8 2.50	
§ 2:59	— — Mediating land use disputes
§ 2:60	— — Mediation in the land use approval process
§ 2:61	———Advantages and disadvantages of land use
8 0.00	mediation
§ 2:62	—— — Using mediation to resolve development
	disputes

§ 2:63	———Legal issues in land development mediation
§ 2:64	—— Using mediation to supplement the zoning
	hearing process
§ 2:65	Historic preservation
§ 2:66	—Tax credit for hotels
§ 2:67	—Tax incentives
§ 2:68	Underwriting, administrative, and legal
	considerations—Subordination
§ 2:69	—The revolving credit land development loan
§ 2:70	Transferable state income tax credits

I. ORIGIN, STATUTORY BASIS, AND FUNCTION OF SUBDIVISION CONTROL ORDINANCES

Subdivision control ordinances—Generally
Historical origin
Statutory basis for subdivision control ordinances
Structure and function of local ordinances
State laws encouraging development of affordable housing
Impact fees—Legal Framework
—Types of impact fees
—Inclusionary Zoning Upheld
—Tax treatment of impact fees
In-lieu fee substitutes for affordable housing
Community benefits agreements
Financing and financial assurances required to comply with subdivision control legislation
—Surety performance bonds
Lenders checklist for legal contest over bond proceeds
—Cash deposits or escrows
—Property escrow
—Letter of credit
— —Fraud and the independence principle
——Integrating the letter of credit with the land development loan
 — Letter-of-credit defenses and safeguards for municipality and lender
—Subdivision improvement agreement
—Standby letters of credit in the public sector
Reimbursable subdivision exactions
Partial release clauses
Infrastructure financing: the California example
Subdivision improvement agreement
Development rights purchase agreement

CHAPTER 3. THE CONSTRUCTION LOAN: APPLICATION, UNDERWRITING APPROVAL, AND COMMITMENT

I. THE CONSTRUCTION LOAN

§ 3:13 —Construction loans in CDOs

§ 3:1	Definition and place in the development process
§ 3:2	Comparison to long-term mortgage and other
8 0.2	commercial loans
§ 3:3	—Short-term loans
§ 3:4	—Payment of principal and interest
§ 3:5	—High, fluctuating interest rates
§ 3:6	Calculating construction loan yields
§ 3:7	Special know-how required for construction lending
§ 3:8	—Construction loan underwriting
§ 3:9	—Closed-end, Open-end and Gap Loans
§ 3:10	Business and legal risks unique to construction
	lending
§ 3:11	—Land and buildings under construction are the
	security
§ 3:12	—Unforeseeable construction risks

II. INTERVENING LIENS AND RIGHTS OF THIRD PARTIES

§ 3:14	Mechanic's liens
§ 3:15	Non-mechanic's-lien rights
§ 3:16	Zoning and building requirements
§ 3:17	Loss of permanent financing
§ 3:18	Marketing the finished project
§ 3:19	Construction loan underwriting
§ 3:20	—Evaluation of the borrower/developer
§ 3:21	—Beneficial Owner Reporting
§ 3:22	—Lending to partnerships
§ 3:23	—Difference between partnership and joint venture
§ 3:24	—Evaluation of the borrower/developer—Factors for evaluating the borrower/developer
8 9.0F	-
§ 3:25	—Reducing risk through borrower screening
§ 3:26	—Lending to limited liability companies
§ 3:27	——Characteristics of LLCs
§ 3:28	— —Authority
§ 3:29	— Establishing formation, good standing, and
	qualification to do business
§ 3:30	———Determing the LLC's authority to enter into the
	transaction

xxxviii

§ 3:31	— —Who may act for the LLC?
§ 3:32	— —Legal opinion
§ 3:33	——Execution of the documents
§ 3:34	——Structuring the loan
§ 3:35	——Taking collateral from an LLC
§ 3:36	 —LLCs and personal guaranties of members
§ 3:37	——Executing on an LLC interest
§ 3:38	——LLCs and bankruptcy
§ 3:39	——Summary of authorization documentation for
	LLCs
§ 3:40	The doctrine of equitable conversion

III. REVIEW OF THE PROJECT

§ 3:41	Construction plans and costs
§ 3:42	Appraisals
§ 3:43	The Interagency Appraisal Guidelines
§ 3:44	—Appraisal Review
§ 3:45	—Deductions and Discounts
§ 3:46	—Tract Developments
§ 3:47	Appraisals During COVID-19 Pandemic
§ 3:48	Underwriting summary
§ 3:49	Evaluation of the contractor
§ 3:50	Source and use of funds
§ 3:51	Financial analysis of the finished project
§ 3:52	The takeout commitment
§ 3:53	—Preferred takeout lenders
§ 3:54	—Evaluation of takeout lender
§ 3:55	The "open ended" construction loan
§ 3:56	Convertible mortgages
§ 3:57	—Advantages to borrower
§ 3:58	—Disadvantages to borrower
§ 3:59	—Advantages to lender
§ 3:60	—Disadvantages to lender
§ 3:61	—Negotiating guidelines
§ 3:62	—Underwriting guidelines for convertible mortgages
§ 3:63	——Case study
§ 3:64	Private real estate equity funds
§ 3:65	—"Phantom equity" approach
§ 3:66	—Financing plus joint venture
§ 3:67	—Sale and leaseback
§ 3:68	—Straight joint venture
§ 3:69	—Straight sale
§ 3:70	—Guidelines for Negotiating the Equity Investment
8 3.71	—How entity financing helps developers

§ 3:72	Overview of commercial real estate loan underwriting
§ 3:72	—Underwriting ratios and measures
§ 3.73 § 3:74	—Required documents
§ 3:75	Repayment sources
§ 3:76	Covered bonds: two jurisdictions
§ 3.70 § 3:77	Underwriting apartment projects
§ 3.77 § 3:78	Capital Requirements for "High Volatility CRE"
§ 3.76 § 3:79	Sources of construction loans—Commercial banks
§ 3.79 § 3:80	— Real estate company bank loan ratings
§ 3.80 § 3:81	—Thrift institutions
-	
§ 3:82	—Mortgage bankers
§ 3:83	—Real estate investment trusts
§ 3:84	——Increased use of REITs
§ 3:85	——Expanding role of nonbank sources
§ 3:86	—Using REITs to fund construction loans for single-
	family housing
§ 3:87	— — Underwriting difficulties
§ 3:88	— — Traditional development cycle
§ 3:89	——Mismatch of interest and principal duration
§ 3:90	— — The REIT mechanism
§ 3:91	— —Indemnification feature
§ 3:92	——Pricing
§ 3:93	— —Conservative debt/equity configuration
§ 3:94	—Insurance companies and pension trusts
§ 3:95	EB-5 immigrant investor program
§ 3:96	Federal government assisted financing
§ 3:97	—Federal policies promoting affordable housing
§ 3:98	—Community Reinvestment Act
§ 3:99	Federal government assisted financing—Low-income
	housing tax credits
§ 3:100	Federal government assisted financing—Low-income
	housing tax credits—Disaster Zone Projects
§ 3:101	—Community Development Trust
§ 3:102	—Capital Magnet Fund
§ 3:103	—CDFI Bond Guarantee Program
§ 3:104	—Low-income housing tax credit reportable tax
	shelter
§ 3:105	—New Markets Tax Credit Program
§ 3:106	—Historic Tax Credit
§ 3:107	—HUD financing of residential healthcare facilities
§ 3:108	—HUD 108 loan guarantees
§ 3:109	—FNMA affordable housing program
§ 3:110	—Negotiating low-income tax-credit partnership
	agreements

IV. BOND FINANCING BY STATE AND LOCAL FINANCING AGENCIES

§ 3:111	State housing finance agencies
§ 3:112	State and local industrial development bonds
§ 3:113	Taxable housing bonds
§ 3:114	Tax anticipation notes
§ 3:115	Loan presentation by developers
§ 3:116	—Underwriting criteria
§ 3:117	—Packaging a loan
§ 3:118	Nontraditional loan funding
§ 3:119	—New money sources
§ 3:120	—Using participating leases for financing
§ 3:121	Financing real estate with commercial paper
§ 3:122	Financing with letters of credit
§ 3:123	—New loan sources for home builders
§ 3:124	—Pension fund financing
§ 3:125	—Private debt offerings
§ 3:126	—Public offerings
§ 3:127	Structuring joint ventures with pension funds
§ 3:128	—Relationship between plan and manager
§ 3:129	——Performance fee arrangements
§ 3:130	——Computing performance fee
§ 3:131	— —Anticipated rates of return
§ 3:132	—Prohibited transactions with parties in interest
§ 3:133	—Developer as ERISA fiduciary
§ 3:134	—Other issues
§ 3:135	Structuring public/private partnerships
§ 3:136	—Benefits—Developers
§ 3:137	——Local governments
§ 3:138	— —Lenders
§ 3:139	—Problems unique to public/private partnerships
§ 3:140	—State economic development grants:
	Nonshareholder capital contributions
§ 3:141	—State law issues
§ 3:142	—Tax incentives
§ 3:143	—Financing alternatives
§ 3:144	—Tax-increment financing
§ 3:145	— Job retention
§ 3:146	— TIF triggers prevailing wage requirement
§ 3:147	— —Increasing popularity of tax-increment financing
§ 3:148	——Constitutional debt limit not violated by TIF
§ 3:149	— — Public purpose defined
§ 3:150	—Securing TIF financing
§ 3:151	—Public agency participation structures

§ 3:152	—A public/private multifamily venture
§ 3:153	— — The property
§ 3:154	— —The financing
§ 3:155	— — The developer's returns
§ 3:156	Wraparound mortgage financing
§ 3:157	—Legal considerations for borrowers and lenders
§ 3:158	—Analysis of economics of wraparound loans
§ 3:159	—How wraparound loans can increase investment yield
§ 3:160	Leasehold mortgage financing
§ 3:161	—Perfecting leasehold mortgage lender's lien
§ 3:162	—Leasehold mortgage lender's considerations
§ 3:163	—Negotiating the leasehold mortgage
§ 3:164	Construction loan application and approval process
§ 3:165	—Standard loan application
§ 3:166	—Non-standard loan presentation
§ 3:167	— —Non-standard construction loan application
§ 3:168	—Letter of intent to make loan
§ 3:169	—The lender's internal approval process
§ 3:170	——Levels of loan approval authority
§ 3:171	— — The presentation for loan approval
§ 3:172	The construction loan commitment
§ 3:173	Commitment letter: unclear terms
§ 3:174	The construction loan commitment—Negotiating and
	drafting the construction loan commitment
§ 3:175	—Drafting a mortgage loan commitment from the
0.0150	lender's perspective
§ 3:176	——Construction loan commitment preparation
§ 3:177	—Points often overlooked
§ 3:178	——Interest rate ceiling
§ 3:179	——Deadline dates
§ 3:180	— —Limiting lender's attorney fees and other
8 9,101	expenses — —Commitment fees
§ 3:181 § 3:182	— — Commitment rees — — Consents
§ 3.182	— — Guaranties
-	
§ 3:184	— — Determining whether a loan commitment is a binding agreement
§ 3:185	—Agreed-on procedures
§ 3:186	——Specific requirements of the new standards
§ 3:187	Enforcement of construction loan commitments:
2 0.101	borrower versus lender
§ 3:188	—Contract-Law defenses of lender
§ 3:189	— —Lack of sufficient definiteness
§ 3:190	— —Lack of authority of issuer
	·

\$ 3:191 \$ 3:192 \$ 3:193 \$ 3:194 \$ 3:195 \$ 3:196	 — Lack of consideration — Lack of legal authority — — Guidelines for pre-loan negotiations — Lack of strict compliance with conditions of loan commitment Construction loan commitments Liquidated damage subject to reasonable test
v. RE	EMEDIES FOR THE BORROWER
§ 3:197	Money damages generally
§ 3:198	No liability on binding loan agreement: Case study
§ 3:199	Lost profits
§ 3:200	Specific performance
§ 3:201	Liability under Bank Holding Company Act
§ 3:202	Enforcement of construction loan commitments:
	lender versus borrower
§ 3:203	—Commitment fees and standby deposits as
0.0.0.4	impermissible penalties
§ 3:204	—Fees paid for lender's readiness to make the loan
§ 3:205	—Commitment fees as usury
§ 3:206	—Lender's lost profits
§ 3:207	—Suggestions for drafting and counseling to retain fees and deposits
§ 3:208	—Specific performance
§ 3:209	Validity and enforceability of the oral construction
	loan commitment
§ 3:210	—Third-party beneficiary
§ 3:211	—Promissory estoppel
§ 3:212	Tax deductibility of commitment fees
§ 3:213	Bankruptcy of borrower prior to funding
§ 3:214	Accounting for real estate acquisition, development,
	or construction arrangements
§ 3:215	Accounting for loan origination and acquisition fees
§ 3:216	—Loan origination fees and costs
§ 3:217	—Commitment fees and costs
§ 3:218	—Construction phase cost sheet
§ 3:219	—Construction and permanent loan application
§ 3:220	—Presentation to loan committee on tract-housing development
§ 3:221	—Recommendation to senior loan officer on office building construction loan
§ 3:222	—Construction loan commitment
§ 3:223	—General terms and conditions for construction
J	commitment letter
§ 3:224	—Construction loan commitment with commentary

CHAPTER 4. THE CONSTRUCTION LOAN

- § 4:1 The construction loan note
- § 4:2 —Statement of loan amount
- § 4:3 —Principal repayment
- § 4:4 —Incorporating other loan documents by reference
- § 4:5 Nominee agreement to avoid possible usury

I. CONSTRUCTION LOAN MORTGAGE AND AGREEMENT

- § 4:6 Comparison to other mortgages
- § 4:7 —Ten frequently neglected mortgage terms
- $\S~4:8$ Fixture priorities and qualification as a construction mortgage under the uniform commercial code
- § 4:9 Interest payment and rate
- § 4:10 —Usury
- § 4:11 ——Interest on undisbursed amounts
- § 4:12 ——Federal preemption for some loans
- § 4:13 ——Savings clause
- § 4:14 —Matched funding
- § 4:15 — Certificate of deposit rate
- § 4:16 ——Euro-currency loans
- § 4:17 —Transitioning away from LIBOR
- § 4:18 ——New York Legislation To Amend Contracts
- § 4:19 —Transitioning to SOFR—Government sponsored enterprises
- § 4:20 —Multiple interest rate options
- § 4:21 —Maximum, minimum, and average interest rate provisions
- § 4:22 —Hedging construction loan interest rates
- § 4:23 —Deducting construction loan interest
- § 4:24 ——Final regulations on capitalizing interest
- $\S~4:25$ — The avoided cost method
- § 4:26 ———Unit of property
- § 4:27 ———Production period of a unit of property
- § 4:28 ———De minimis exception
- § 4:29 ———Suspension period
- § 4:30 Interest rate swap agreements
- § 4:31 —Loan documentation for interest rate swaps
- § 4:32 —Provisions for default
- § 4:33 —Quantifying the lender's reimbursement
- § 4:34 —Consequences of prepayment
- § 4:35 ——Liberalized prepayment provisions in swap-linked financing
- § 4:36 —Securing and insuring breakage

§ 4:37	—Interest rate cap agreements
§ 4:38	—Legal obligation of a counterparty
§ 4:39	The "preclosed" loan
§ 4:40	—Business and legal advantages
§ 4:41	—Business and legal disadvantages
§ 4:42	—Integrating the construction and permanent loan documents—Buy-sell agreement needed
§ 4:43	— —Making the note evidence the construction and
	permanent loans
§ 4:44	— — The mortgage for the preclosed loan
§ 4:45	The comprehensive construction loan agreement
§ 4:46	—Construction loan agreement provisions
$\S 4:47$	The small construction loan
§ 4:48	Total project finance
§ 4:49	—Advantages
§ 4:50	—Disadvantages
§ 4:51	—Loan documents
$\S 4:52$	——Representations and warranties
§ 4:53	— — Division of loan proceeds by development phase
$\S 4:54$	— —Conditions precedent to disbursement of loan for
	various phases
$\S~4:55$	——Disbursement procedures
$\S 4:56$	——Balancing each phase of the loan
§ 4:57	 — Retainages and final disbursement
§ 4:58	— — —Understanding retainage
§ 4:59	 — Inclusion of letter of credit provisions
§ 4:60	—Priority of acquisition and development loans
§ 4:61	The residential subdivision construction loan
§ 4:62	—Unique legal problems and business risks
§ 4:63	——Speculative nature of home building
§ 4:64	— —Loan repayment from sale of homes
§ 4:65	 Loan periods and development complexity
§ 4:66	—Defining "home" and "model home"
§ 4:67	—Revolving credit
§ 4:68	—The need to regulate the pace of borrower's
	development
§ 4:69	—Assignment of purchase contracts
§ 4:70	—Home purchaser financing
§ 4:71	—Sewer and water taps
§ 4:72	—Partial releases for home sales
§ 4:73	—Lender's monitoring of compliance with development requisites
	10quisites

II. MODEL HOMES

§ 4:74 Financing by the construction lender

Construction and Development Financing

§ 4:75	Financing by another lender
§ 4:76	Sale-leaseback of model homes
§ 4:77	Depreciation of model homes
§ 4:78	Priority between the residential construction lender
	and the home purchaser
§ 4:79	The growth of "New Urbanism"
§ 4:80	The planned community development
§ 4:81	—Development strategy
§ 4:82	—Home building: right to disclaim implied
8 4 00	warranties
§ 4:83	—Home building: Disclaimer of implied warranties and privity of contract
§ 4:84	Home building: mandatory arbitration
§ 4:85	The planned community development—Community
3 4.00	association structure and operation
§ 4:86	—Use restrictions
§ 4:87	—Development rights
§ 4:88	—Regulation
§ 4:89	Financing senior housing developments
§ 4:90	—Types of senior housing
§ 4:91	—Growth and new formats of senior housing
§ 4:92	—Converting hotels to residential or mixed use
§ 4:93	—Financing senior housing
§ 4:94	Phased projects
§ 4:95	—High front-end costs
§ 4:96	—Different lenders for different phases
§ 4:97	—Mechanic's-lien problems
§ 4:98	—Permanent-loan takeout problems
§ 4:99	The shopping center construction loan
§ 4:100	—Development with multiple owners
§ 4:101	—Financing the mall space
§ 4:102	—Tenant improvement holdbacks
§ 4:103	—Shopping center expansion
§ 4:104	—Component financing and other multiple lender
	arrangements
§ 4:105	—Financing parking structures
§ 4:106	—Increase in retail construction applications
§ 4:107	—Converting shopping centers into technical and
	continuing education centers
§ 4:108	—De-malling a shopping center
§ 4:109	The condominium construction loan
§ 4:110	—Underwriting considerations
§ 4:111	—Financing terms
§ 4:112	—Loan terms and provisions
§ 4:113	— —Timing and prerequisites for advances

§ 4:114	——Timing of lender consent or subordination to
6 4 115	condominium declaration
§ 4:115	——Lender approval requirements
§ 4:116	——Prohibition of block sales
§ 4:117	——Assigning the sale contracts to the construction
\$ 4. 11 0	lender — — Partial release of units
§ 4:118	
§ 4:119 § 4:120	—Loans to unit purchasers
§ 4:120 § 4:121	—Government-assisted condominium financing
-	—Cooperative apartment financing
§ 4:122	Rating cooperative mortgage loansPriority between the condominium construction
§ 4:123	lender and unit purchasers
§ 4:124	——Foreclosure sale proceeds go first to lender
§ 4:125	 — The condominium construction loan: sell-back agreement
§ 4:126	—The uniform condominium act
§ 4.126 § 4:127	
	 —Minimizing liability and litigation on condominium projects
§ 4:128	 — Drafting homeowners association CC&Rs to minimize liability
§ 4:129	— —Using construction contracts to reduce a
	developer's liability
§ 4:130	——Careful use of the plans and specifications
§ 4:131	— —Long-range insurance planning
§ 4:132	— —No liability for defective construction
§ 4:133	—The zero unit condominium
§ 4:134	——Subdividing the rights, not the land
§ 4:135	——Raising capital with the zero unit condominium
§ 4:136	——Conveyances
§ 4:137	——Objections to the zero unit condominium
§ 4:138	Condominium conversion financing
§ 4:139	—Underwriting considerations
§ 4:140	—Financing needs
§ 4:141	—Rating condominium conversion loans
§ 4:142	Condominium developer purchases
§ 4:143	Condominiums: tighter financing
§ 4.143 § 4:144	Condominiums: new FHA rules
§ 4.144 § 4:145	Rising demand for medical office buildings
2 4.140	insing demand for inedical office buildings

III. METHODS OF FINANCING

- § 4:146 Use of existing financing § 4:147 New conversion loan
- $\S 4:148$ —Rating conversion loans

0 4 1 40	7 (T. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.
§ 4:149	Multiple loans on individual units
§ 4:150	Conversion financing by the seller
§ 4:151	Loans secured by monthly charges
§ 4:152	Loan disbursement and administration
§ 4:153	Cash flow in a condominium conversion
§ 4:154	Obligation to convert and continue rental
§ 4:155	Statutory compliance
§ 4:156	Tenant litigation
§ 4:157	The hotel/motel construction loan
§ 4:158	—Franchising
§ 4:159	—Equipment financing
§ 4:160	——Complete subordination
§ 4:161	——Lease and option assignment
§ 4:162	——Secondary security interest
§ 4:163	— — The importance of advance planning
§ 4:164	—Hotel condominiums
§ 4:165	— —Luxury markets
§ 4:166	——Loan underwriting
§ 4:167	— Pre-sale requirements
§ 4:168	— —Regulatory issues
§ 4:169	——Securities laws
§ 4:170	—Handling disaster claims
§ 4:171	The office building construction loan
$\S 4:172$	—Loan allocation and disbursement
§ 4:173	— —The dual allocation approach
§ 4:174	— —Dual loans
§ 4:175	—Title insurance problems
§ 4:176	Wind farms
§ 4:177	Student housing growth ahead
§ 4:178	Real estate loan guaranties—Nonrecourse loans:
	carve-outs, single purpose entity, definition of
	insolvency
§ 4:179	——The Wells Fargo case
§ 4:180	——Sample provisions from the Wells Fargo case
§ 4:181	Construction loan guaranties
§ 4:182	—The value and function of construction loan guaranties
§ 4:183	—Types of construction loan guaranties
§ 4:184	——Guaranty of debt repayment
§ 4:185	— —Guaranty of construction completion
§ 4:186	———Specific performance of completion guaranty
§ 4:187	———Scope of guaranty and lender remedies
§ 4:188	——Categories of guaranties
§ 4:189	—Enforcement of construction loan guaranties
5	

§ 4:190	—Risk of guarantor's bankruptcy to enforcement of
	the construction loan
§ 4:191	—Enforcement of construction loan guaranties—
	Lender's breach of construction loan agreement
§ 4:192	——Lender's action impairing guarantor's position
§ 4:193	——Sale by lender at a price greater than the
	foreclosure sale
§ 4:194	——Lender's action impairing guarantor's position—
	Guarantee not voided by lender's failure to disclose
§ 4:195	——Guarantor's liability on underlying nonrecourse
	note
§ 4:196	——Oral modification of guarantee agreement
_	binding on lender
$\S 4:197$	—Drafting to avoid guarantor defenses
§ 4:198	—Compliance with the Equal Credit Opportunity Act
§ 4:199	Letters of credit
§ 4:200	—Drawing on a letter of credit
§ 4:201	——Draw by third-party beneficiary
§ 4:202	——Construction: contractor as third-party
	beneficiary
§ 4:203	—Drafting letters of credit
§ 4:204	—Letters of credit for tax-exempt bonds
$\S 4:205$	Alternatives to construction loan guaranties, letters
	of credit, and surety bonds
§ 4:206	—Bank guarantee
$\S 4:207$	—Comfort letter
§ 4:208	—Put agreement
§ 4:209	—Two-party nonbank letters of credit
§ 4:210	Performance and payment bonds
§ 4:211	—Mechanic's-lien bonds
§ 4:212	—Construction bonds
§ 4:213	— —Indemnitor agreement
	_

IV. CONSTRUCTION CONTRACTS & ARCHITECT AGREEMENTS

§ 4:214	Loan underwriting
§ 4:215	Lender certification requirements
§ 4:216	Abandonment of construction contract
§ 4:217	Coordination of construction contract and construction loan agreement
§ 4:218	Securing the continued performance of architects and contractors after default
§ 4:219	—Assignment of construction contract
§ 4:220	—Assignment of plans and specifications and architect's agreement

§ 4:221	—Assignment of other rights
§ 4:222	Construction lender's rights against vendors
§ 4:223	—The economic loss doctrine
§ 4:224	—Enforcing an Assignment of Payment
§ 4:225	Construction lender's rights against vendor after deed
0	in lieu of foreclosure
§ 4:226	Agreement among contractor, construction lender,
	and borrower
§ 4:227	Construction contract damage provisions
v. in	SURANCE FOR RISK MANAGEMENT
§ 4:228	Insurance coverage for managing risk
§ 4:229	Insurance industry trends
§ 4:230	Underwriting standards
§ 4:231	Builder's Risk
§ 4:232	Flood hazard insurance
§ 4:233	—Floodplain building rules
§ 4:234	—Flood maps and verifying flood hazard areas
§ 4:235	Hazard and liability insurance—Liability insurance
§ 4:236	Pandemic and disaster planning
§ 4:237	Communicable diseases policy exclusion
§ 4:238	Pollution liability coverage and endorsements for
5	mold and airborne particles
§ 4:239	Data Breaches and Cyber Coverage
§ 4:240	Landowner's potential liability for contractor's
Ü	employees
§ 4:241	Additional-insured indemnification for lessors
VI. E	NSURING PRIORITY OF LIEN
§ 4:242	Priority vis-à-vis mechanic's lien claims
§ 4:243	—Choice of Law Provisions
§ 4:244	—Equitable Subrogation
§ 4:245	—Lender's inadvertent waiver of priority
§ 4:246	Construction loan title insurance
§ 4:247	Title insurance: Handling potential claims
§ 4:248	Title insurance: Mortgage foreclosure and the full
3 1.210	credit bid
§ 4:249	Faulty acknowledgments
§ 4:250	Priority vis-à-vis mechanic's lien claims—Circular
	Priority Problems
§ 4:251	Construction loan participations

VII. LENDING PARTICIPANTS

§ 4:252 Commercial banks

- § 4:253 Mortgage bankers
- § 4:254 Participations with permanent lenders

VIII. STRUCTURING THE PARTICIPATION

- § 4:255 Pari passu
- § 4:256 Phased contributions
- § 4:257 Subordination
- § 4:258 Loan default
- § 4:259 Put and call provisions
- § 4:260 Compensating the lead lender

IX. LEAD-LENDER AUTHORITY AND RESPONSIBILITY

- § 4:261 Lead-lender authority
- § 4:262 Lead-lender standard of care
- § 4:263 Lead-lender liability to participant
- § 4:264 Lead-lender failure: Rights of participants in the collateral—The *Central Bank* decision

X. ADMINISTRATION OF LOAN

- § 4:265 Definition and objectives of construction loan administration
- § 4:266 Monitoring of construction loans
- § 4:267 —Contractor selection
- § 4:268 —Project shop drawings
- § 4:269 —Project change orders
- § 4:270 —Project schedule
- § 4:271 —Coordination and communication
- § 4:272 —Dispute resolution

XI. RESPONSIBILITY OF LENDER FOR CONSTRUCTION LOAN ADMINISTRATION

- § 4:273 Lender's attorney
- § 4:274 Loan administrator
- § 4:275 Construction loan disbursement administration
- § 4:276 —Application for disbursement
- § 4:277 —Architect's certificate
- § 4:278 —General contractor's certificate
- § 4:279 —Monitoring contract changes
- § 4:280 —Monitoring the interest reserve
- § 4:281 —Title continuation
- § 4:282 —Final disbursement

§ 4:283	Methods of loan disbursement
§ 4:284	—Voucher method
§ 4:285	—Direct payment method
§ 4:286	—Joint checks
§ 4:287	—Construction escrow
§ 4:288	Project inspections
§ 4:289	—Responsibility for inspections
§ 4:290	——Bank's duty to oversee construction
§ 4:291	—Functions of the inspection
§ 4:292	——Inspection of project site
§ 4:293	Bankruptcy of construction loan borrower
§ 4:294	Attempts by third parties to reach construction loan funds or construction lender's security
$\S 4:295$	—Garnishment
§ 4:296	—Escrow
§ 4:297	—Third-party beneficiary
§ 4:298	—Equitable lien
§ 4:299	— —Equitable lien based on establishment of loan fund
§ 4:300	— —Equitable lien based on affirmative conduct of lender or others
§ 4:301	— —Equitable lien based on unjust enrichment of lender
§ 4:302	— The FHA cases and the "Trans-Bay doctrine"
§ 4:303	— Right to prejudgment interest when equitable lien awarded on undisbursed construction loan proceeds
§ 4:304	—Constructive trust, unjust enrichment, and the degree of project completion
§ 4:305	——Advance for claimant's work already made by construction lender
§ 4:306	— —Full project completion as determining unjust enrichment
§ 4:307	—Construction loan proceeds as trust fund
§ 4:308	— —Express trust
§ 4:309	——Statutory construction trusts
§ 4:310	—Estoppel
§ 4:311	—Guaranty
§ 4:312	—Promissory estoppel
§ 4:313	—Surety claim
§ 4:314	"Stop notice" statutes requiring construction lender to make direct disbursement to contractors
§ 4:315	"Stop notice" statute declared unconstitutional
§ 4:316	Prompt payment acts
-	1 1 V

XII. LIABILITY OF CONSTRUCTION LENDER TO THIRD PARTIES

§ 4:317	Construction defects
§ 4:318	Other grounds
§ 4:319	—Construction lender's duty to subordinate purchase money lienholders
§ 4:320	—Construction lender's duty to contract vendees
§ 4:321	—Construction lender's negligence or breach of duty in loan disbursement
§ 4:322	— Bank's duty to oversee construction
§ 4:323	—Construction lender and borrower as joint
8 4 90 4	venturers
§ 4:324	—Construction lender's assumption of project control
§ 4:325	—Construction lender's duty to disclose certain information to third parties
§ 4:326	—Construction lender's duty to disclose adverse
	information to buyer of real estate loan
§ 4:327	—Construction lender's duty to disclose facts to real estate buyer
XIII.	DUTY AND LIABILITY OF LENDER TO
	BORROWER
§ 4:328	Claims by borrowers
§ 4:329	Breach of contract
§ 4:330	Lender liability
§ 4:331	Implied covenant of good faith and fair dealing
§ 4:332	Construction lender's duty and liability to construction borrower—Willful diversion or
	suspension of loan disbursements—"Objective
	reasonableness" test for disbursing funds
§ 4:333	—Willful diversion or suspension of loan
, 1.000	disbursements
§ 4:334	— —Lender liability for fraud and non-disclosure
§ 4:335	— — Misrepresentation
§ 4:336	—Negligent misrepresentation as jury issue
§ 4:337	—Misrepresentation claim survives foreclosure
§ 4:338	—Failure to disclose breaches fiduciary relationship
§ 4:339	Course of conduct modifies loan agreement
§ 4:340	Careful loan administration
§ 4:341	Tortious conduct
§ 4:342	—Duress
§ 4:343	Misappropriation of confidential information from borrower

§ 4:344 Liability to developer for defamation

\$ 4:345 \$ 4:346 \$ 4:347 \$ 4:348	Lender liability for improper disclosure No duty when acting for own protection Project overruns RICO liability
XIV.	LENDER'S COUNTERCLAIMS AND ACTIONS
\$ 4:349 \$ 4:350 \$ 4:351 \$ 4:352 \$ 4:353 \$ 4:354 \$ 4:355 \$ 4:356 \$ 4:357 \$ 4:358 \$ 4:359	Disclosure during workout negotiations Obligation to report suspected crimes Bad faith waste Right to apply loan funds to construction Prohibit assignment by borrower
XV.	CONSTRUCTION LOAN DOCUMENTS
§ 4:360 § 4:361 § 4:362 § 4:363	
\$ 4:364 \$ 4:365 \$ 4:366 \$ 4:367	Oral modifications
§ 4:368 § 4:369 § 4:370 § 4:371	Best efforts to ensure completion Single-family-home construction loan agreement Guaranty of repayment of construction debt Unconditional, continuing guaranty of loan documents
§ 4:372 § 4:373	Construction completion guaranty Assignment of construction contract with contractor's agreement to continue
\$ 4:374\$ 4:375\$ 4:376\$ 4:377	Assurance letter for tri-party agreement among borrower, lender, and contractor ALTA loan policy requirements Construction loan participation agreement Lead lender's subordination of its receipt of principal and interest to participant's receipt

§ 4:378	Subordination of interest of participant declining to contribute its share of loan advances or expenses
§ 4:379	Participants' rights and responsibilities in
,	management and sale of collateral after its
	acquisition
§ 4:380	Participant's right to "Put" its interest to lead lender
§ 4:381	Lead lender's right to "Call" participant's interest
§ 4:382	Application for construction loan disbursement
§ 4:383	Construction escrow agreement
§ 4:384	Construction status report
§ 4:385	Borrower's request for inspection services of architect
§ 4:386	Construction inspection—Outside consultant's report to lender—Sample letter
§ 4:387	Construction/permanent note rider to be used with standard Fannie Mae/Freddie Mac promissory notes
§ 4:388	Combination construction/permanent loan agreement to be used with standard Fannie Mae/Freddie Mac promissory notes
§ 4:389	Selected provisions in condominium declaration for a zero unit condominium
§ 4:390	Additional covenants in condominium construction
	mortgage
§ 4:391	Commitment letter for construction loan—Fee project
§ 4:392	Cooperative apartment loan commitment
§ 4:393	Cooperative apartment loan note
§ 4:394	Cooperative apartment loan security agreement
§ 4:395	Assignment of proprietary lease
§ 4:396	Recognition agreement
\$4:397	Participation agreement
§ 4:398	Project account agreement
§ 4:399	—Labor and Material Payment Bond
§ 4:400	—Performance Bond
§ 4:401	—Construction and completion guaranty: guarantor's representations, warranties, and waiver of certain
	defenses
§ 4:402	Covenant that property will not be declared a condominium
§ 4:403	Financing: three specialties

CHAPTER 5. THE CONSTRUCTION LOAN "TAKEOUT" OR PERMANENT LOAN

§ 5:1 Definition and function of the takeout

I. TYPES OF TAKEOUTS

§ 5:2	Construction lender converting to intermediate- or long-term lender
§ 5:3	Long-term amortizing loan by a "permanent lender"
§ 5:4	—Accrual loans
§ 5:5	——Case study
§ 5:6	—Debt service coverage ratios and rising interest rates
§ 5:7	Intermediate-term loan
§ 5:8	—Mini-perm rollovers
§ 5:9	Standby commitments
§ 5:10	—Underwriting guidelines
§ 5:11	——Case study
§ 5:12	—Mortgage commitment issues for borrower
§ 5:13	Gap loans
§ 5:14	—The mezzanine loan
§ 5:15	— — The growth of mezzanine
§ 5:16	——Rating mezzanine loans
§ 5:17	— Mezzanine financing exit strategies
§ 5:18	—Preferred equity
§ 5:19	—How subordinate debt impacts senior debt rating
§ 5:20	——Intercreditor agreement
§ 5:21	Sale of the completed project as the takeout
§ 5:22	Sale-leasebacks
§ 5:23	—Tax problems in sale-leasebacks
§ 5:24	—Recharacterization in state court or bankruptcy
§ 5:25	Joint ventures
§ 5:26	—Interim joint ventures
§ 5:27	—Tenant-developer joint ventures (equity leases)
§ 5:28	—Landowner-developer joint ventures
§ 5:29	——Example of a residential subdivision joint venture
§ 5:30	— —The joint venture agreement
§ 5:31	—Breaking joint venture deadlocks
§ 5:32	—Joint ventures between developers
§ 5:33	Outright sale

§ 5:34	Sale to partnerships
§ 5:35	Standby commitments
§ 5:36	—Types of standbys
§ 5:37	—Bankable standby commitments
§ 5:38	Forward commitment with two-tier participation
§ 5:39	Life company mortgage loans
§ 5:40	Breach of a mortgage commitment
§ 5:41	Equity standby commitments
§ 5:42	—Use of an equity standby commitment
§ 5:43	—Terms of the equity standby
§ 5:44	—Lender's perspective
§ 5:45	—Developer's perspective
§ 5:46	—Equity standby investor's perspective
§ 5:47	Case study of equity/debt financing
§ 5:48	—"Phantom equity" approach
§ 5:49	—Financing plus joint venture
§ 5:50	—Sale and leaseback
§ 5:51	—Straight joint venture
§ 5:52	—Straight sale
§ 5:53	Negotiating with a securitizing lender
§ 5:54	—The rating process for mortgage securities
§ 5:55	—Rating construction loans for securitization
§ 5:56	—Disadvantages of securitization
§ 5:57	—Special provisions required by securitizing lenders
§ 5:58	——Credit tenant lease loans
§ 5:59	Yield maintenance premiums
§ 5:60	—Enforceability under state law
§ 5:61	Yield maintenance premium—Enforceability in Bankruptcy
§ 5:62	Sample yield maintenance premium provision
§ 5:63	Refinancing conduit loans
§ 5:64	The construction lender's business and legal
3	relationship to the takeout lender
§ 5:65	—Review and administration of the takeout
	commitment
§ 5:66	—Takeout provisions to be avoided
§ 5:67	—Administration of the takeout as construction
	progresses
§ 5:68	——Construction lender duty to reveal financial data
§ 5:69	—Legally linking the takeout lender to the
	construction lender
§ 5:70	— — The tri-party or buy-sell agreement
§ 5:71	——Assignment of permanent loan commitment to construction lender

§ 5:72	——Permanent loan commitment issued directly to
	construction lender
§ 5:73	 — Construction lender's relationship to a takeout
	investor committing to make an equity investment
§ 5:74	——Construction lender's relationship to a takeout
	lender that is also an equity owner of the property
§ 5:75	——Quadripartite agreements
§ 5:76	—Construction lender's enforcement of the permanent
	loan commitment
§ 5:77	—Borrower's enforcement of the permanent loan
	commitment—Defenses of lender
§ 5:78	—Resolving disputes between borrower and lender
§ 5:79	—Borrower's claim of economic distress
§ 5:80	Transferring the loan to the takeout lender
§ 5:81	Delivery of a loan to a permanent lender (assuming
	that the same set of mortgage documents will be
	used)
§ 5:82	Tri-party agreement
§ 5:83	Equity funding conditions letter
§ 5:84	Quadripartite agreement—With convertible loan
	documents
§ 5:85	—Without convertible loan documents
§ 5:86	Escrow agreement for construction loan delivery to
	permanent lender
§ 5:87	Representation and estoppel certificate of construction
	lender and borrower to permanent lender
§ 5:88	Construction lender's attorney's legal opinion to
	permanent lender
§ 5:89	Letter of intent to make a permanent loan

CHAPTER 6. CONSTRUCTION LOAN DEFAULTS, ENFORCEMENT, AND WORKOUTS

§ 6:1	The unique problems of construction loan defaults
§ 6:2	—Changing perceptions and approaches toward
	workouts
§ 6:3	——Default myths
§ 6:4	——Current realities concerning defaults
§ 6:5	Default danger signals
§ 6:6	—Defaults other than the failure to make payments
§ 6:7	— —Loan out of balance; probable cost overruns
§ 6:8	— —Construction delay
§ 6:9	——Paying contractors, subcontractors, and suppliers
§ 6:10	——Poor marketing results
§ 6:11	— —Borrower bankruptcy

Construction and Development Financing

§ 6:12	— —Borrower difficulty on other projects
§ 6:13	— —Contractor bankruptcy or default
§ 6:14	——Property owner not liable to subcontractor
§ 6:15	—Equivocal defaults and equitable defenses
§ 6:16	Objectives after a default—The lender's objective:
	completion of construction
§ 6:17	Construction lender remedies
§ 6:18	Objectives after a default—The borrower's objectives
§ 6:19	——The continuation of the project
§ 6:20	— — The termination of the project
§ 6:21	— —Both strategies
§ 6:22	— — The ability to borrow again
§ 6:23	Foreclosure of the mortgage
§ 6:24	Foreclosure sales: Mortgagee's duty of fairness and good faith
§ 6:25	Foreclosure of the mortgage—Borrower's foreclosure defenses
§ 6:26	——Negligence or breach of contract in the course of loan administration
§ 6:27	——Breach of agreement to lend additional funds
§ 6:28	— —Usury
§ 6:29	 —Lender waiver or acquiescence in borrower default
§ 6:30	——Payment
§ 6:31	— —Lender's obligations during foreclosure
§ 6:32	——Sale by unqualified trustee
§ 6:33	—Foreclosure defenses of parties having junior interests in the collateral
§ 6:34	——Classes of claimants
§ 6:35	— —Common defenses
§ 6:36	—Surplus proceeds after foreclosure sale

I. METHODS OF FORECLOSURE

§ 6:37	Equity action
§ 6:38	Nonjudicial foreclosure
§ 6:39	Receivership
§ 6:40	Sale by receiver "free and clear"
§ 6:41	Anti-deficiency statutes
§ 6:42	Anti-deficiency statutes and the use of guarantees
§ 6:43	Anti-deficiency statutes and choice of law
§ 6:44	Mortgagee-in-possession status
§ 6:45	Agreements between lenders
§ 6:46	Tax consequences of foreclosure—Nonrecourse foreclosure gain

§ 6:79

§ 6:80

§ 6:47	—Tax results to borrower
§ 6:48	Deed in lieu of foreclosure
Ü	
II. A	DVANTAGES FOR THE LENDER
§ 6:49	Continuation of construction and sales
§ 6:50	Inexpensive and nonpublic
пт. т	DISADVANTAGES FOR THE LENDER
111. 1	DISADVANTAGES FOR THE LENDER
§ 6:51	Concessions to the borrower
§ 6:52	May be construed as an equitable mortgage
§ 6:53	Merger and promotion of the interests of junior lienholders
§ 6:54	Preference or fraudulent transfer in bankruptcy
IV. T	THE TRANSACTION
8 0.77	D
§ 6:55	Borrower's and lender's conflicting interests
§ 6:56	Preventing merger and preserving lien priority
§ 6:57	Avoiding equitable mortgage construction
§ 6:58	Avoiding bankruptcy problems
§ 6:59	—Special purpose bankruptcy remote entities
§ 6:60	Broker's commissions
§ 6:61	Title insurance
§ 6:62	—Due Diligence When Taking Deed in Lieu
§ 6:63	Lease assumption in lieu of foreclosure
§ 6:64	Workouts with the existing borrower
§ 6:65	The preworkout agreement
§ 6:66	—Legal audit of a loan default
§ 6:67	—Adjustments to aid the distressed borrower
§ 6:68	— —Loan-term extensions
§ 6:69	——Interest adjustments
§ 6:70	——Continued and additional funding
§ 6:71	——Sources of additional funds
§ 6:72	—Adjustments improving the lender's position
§ 6:73	— —Lender control
§ 6:74	— —Additional collateral and cross-collateralization
§ 6:75	——Cross-default provisions
§ 6:76	——Subordination of borrower's profits
§ 6:77	——Guaranties
§ 6:78	——Limitations on project scope

——Automatic transfer of property to lender without

———Cases holding that executory deed transactions are really security transactions requiring foreclosure

further borrower consent

§ 6:81	———Cases holding that executory deed transactions
	are not equitable mortgages and do not clog the
	borrower's equity of redemption
§ 6:82	———Suggestions to improve the likelihood of
	enforcement of the executory deed transaction
§ 6:83	— —Bankruptcy waivers
§ 6:84	———Restraints on filing
§ 6:85	———"Bad faith" stipulations
§ 6:86	— — —Automatic stay waivers
§ 6:87	— — —Springing Guaranties
§ 6:88	——Springing Guaranties (Nonrecourse Carveouts)
§ 6:89	Adjustments improving the lender's position—
	Springing guaranties (nonrecourse carveouts)—
	Illustrative cases
§ 6:90	Workouts with the existing borrower—The multiple
-	lender workout

V. LEGAL PROBLEMS OF LOAN MODIFICATIONS AND WORKOUTS WITH THE EXISTING BORROWER

Liens and encumbrances: Generally
Liens and encumbrances: Federal tax liens
Liens and encumbrances: Replacement mortgage strategy
Promoting the priority of subordinate liens and other interests
Dealing with the circuity of liens problem
Mortgage has priority over liens
Lender liability for undue control of borrower's affairs
Problems of the obligatory advance rule
Bankruptcy
Validity and enforceability of an oral workout agreement
Business problems of loan modifications and workouts with the existing borrower
The borrower's approach to construction loan workouts
Tax consequences of workouts
—Excusing a portion of the mortgage debt
—Reducing the interest rate
—Debt for equity exchanges by corporations and partnerships: I.R.C. § 108(e)(8)
Tax consequences of workouts—Recourse and nonrecourse debt
When to "board up" distressed real estate

§ 6:109	—Conventional methods of dealing with distressed real estate
§ 6:110	—The measurement criterion for the decision to
3 0.110	board up
§ 6:111	Workout strategies for troubled real estate properties
§ 6:112	—Elements of a workout
§ 6:113	—Preparing the workout proposal
§ 6:114	—Presenting the workout plan
§ 6:115	—When workouts fail
§ 6:116	Workouts with a "new borrower"
§ 6:117	—Completion by a "new borrower"
§ 6:118	—Structuring the new-borrower transaction
§ 6:119	——Contract
§ 6:120	——Conveyance to the new borrower with a
	purchase-money mortgage
§ 6:121	 —Performance standards and control for project
	completion and sale
§ 6:122	Other sources of construction lender recovery after
	default
§ 6:123	—Election of remedies and single-recovery rules
§ 6:124	—Actions by participant against lead lender
§ 6:125	——Participant strategy
§ 6:126	——Remedies for the participant
§ 6:127	——Lead-lender strategy
§ 6:128	——Participations after recovery of collateral
§ 6:129	—Lead lender's pledge of its interest in loan: law governing priority
§ 6:130	—Lender's rights against title insurer
§ 6:131	—Lender's rights against defaulting tenant
§ 6:132	The effect of co-op sponsor default in New York
§ 6:133	—New York's rental market
§ 6:134	—Cooperative conversions
§ 6:135	—Increase in demand
§ 6:136	—Sponsor defaults
§ 6:137	—Effect of default on corporation
§ 6:138	—Solutions for lenders
§ 6:139	— —Offer shares to tenants
§ 6:140	— —Other alternatives
§ 6:141	—Shareholder control
§ 6:142	—Effect on building mortgagee
§ 6:143	Bankruptcy of the construction borrower
§ 6:144	—Involuntary petition filed by lender
§ 6:145	Single asset real estate provisions
§ 6:146	Single asset real estate entities—Bankruptcy blocking provisions

§ 6:147	Bankruptcy of the construction borrower—Debtor's threat of cramdown
§ 6:148	——Classification and voting of claims
§ 6:149	——Insiders not counted
§ 6:145	— —Artificial impairment
§ 6:150	
•	— Fair and equitable
§ 6:152	— — Value of secured claim
§ 6:153	———Interest on secured claim
§ 6:154	—Purchasing claims to block confirmation of a plan
§ 6:155	—The new value exception
§ 6:156	—The insider preference problem
§ 6:157	—Avoidance of foreclosure sale in bankruptcy
§ 6:158	——Preference law
§ 6:159	—Financing in bankruptcy
§ 6:160	—Construction lender as DIP lender
§ 6:161	——Further protections for the construction lender
§ 6:162	—Third party DIP financing
§ 6:163	 — Construction lender's right to adequate
	protection
§ 6:164	—Nondischargeability for fraud
§ 6:165	Release of guarantor's liability in borrower's
	bankruptcy
§ 6:166	Construction loan fraud and criminal activity
§ 6:167	Lender participation in workouts
§ 6:168	—Structuring the venture
§ 6:169	——Status of the lender's lien
§ 6:170	 —Guarding against partnership bankruptcy
§ 6:171	— Other considerations in the workout relationship
§ 6:172	— —Governance issues
§ 6:173	—Forbearance agreements
§ 6:174	——Scope of forbearance
§ 6:175	— —Limitations
§ 6:176	——Lien priority
§ 6:177	——Borrower concessions
§ 6:178	—Foreclosure agreement between lenders
§ 6:179	—Deed in lieu of foreclosure agreement
§ 6:180	-Escrow agreement for deed in lieu of foreclosure on
, 0.200	happening of specified events
§ 6:181	—Loan modification agreement with guarantors'
, 0.101	consent
§ 6:182	Workout agreementChange in condominium
o <u>-</u>	developer
§ 6:183	——Multiple lender workout agreement
§ 6:184	Checklist for a pre-workout agreement
§ 6:185	Construction loan workouts
2 0.100	Constituction toan workouts

- § 6:186 Distressed Property: workout agreements
- § 6:187 Development workouts with lenders
- § 6:188 Construction lender remedies

CHAPTER 7. OTHER CONSTRUCTION—FINANCING TRANSACTIONS

- § 7:1 Real estate development without mortgage financing
- § 7:2 —Owner's own funds or nonmortgage borrowing
- § 7:3 — The at-risk limitation for loss deductions
- § 7:4 ——Contributions to real estate entities
- § 7:5 ——Disbursement of funds
- § 7:6 Title insurance
- § 7:7 —Disbursement of insurance proceeds
- § 7:8 Insurance proceeds applied to restoration without regard to borrower's default
- § 7:9 Tax benefits from conservation easements generally
- § 7:10 Real estate development without mortgage financing— Tax benefits from conservation easements—Benefits from conservation easements
- § 7:11 ——Regulatory approvals as consideration
- § 7:12 ——Scenic easements
- § 7:13 ——IRS caution on conservation easements
- § 7:14 ——Façade easements under review
- § 7:15 —Third-party equity for developers
- § 7:16 ——Pre-construction sales
- § 7:17 ——Taxation of contributions to real estate entities
- § 7:18 ——Opportunity funds
- § 7:19 ——Private equity funds
- § 7:20 — Understanding investment terminology
- § 7:21 ——Mezzanine lending on the rise
- § 7:22 Historic tax credits provide developer equity
- § 7:23 ——More flexible guidelines for historic tax credits
- § 7:24 ——Low-income housing credits
- § 7:25 ———Introduction
- § 7:26 New Markets Tax Credit program I.R.C. § 45D
- § 7:27 ——New Markets Tax Credit and historic preservation
- § 7:28 Tax credits: new program
- § 7:29 Black box transactions for pre-opening losses
- § 7:30 Lease transactions involving the improvement of landlord's property—Ground leases
- § 7:31 —Reducing equity with leasehold mortgage
- § 7:32 —Lessee's default under lease mortgage
- § 7:33 —Negotiating rentals under ground leases
- § 7:34 —Ground rent escalators

§ 7:35	—Effect of rent escalators in unsubordinated ground leases
§ 7:36	—Reducing the risk of rent escalators
§ 7:37	Lease transactions involving the improvement of
	landlord's—Sample rent escalation clause based on
	fair market rental
§ 7:38	—Sample rent escalation clause based on fair market
	value
§ 7:39	Lease transactions involving the improvement of
	landlord's property—How subordinated land sales
	help developers
§ 7:40	—Using ground leases to increase return
§ 7:41	—When not to ground lease
§ 7:42	—Leasehold condominiums
§ 7:43	—Commercial leasehold condominiums—Protection
	from cross-defaults
§ 7:44	——Arrearages caused by direct defaults
§ 7:45	—Commercial leases
§ 7:46	—Build-to-suit lease—In general
§ 7:47	——Lease term
§ 7:48	——Sample commencement date clause
§ 7:49	——Sample substantial completion clause
§ 7:50	— —Construction Agreement
§ 7:51	——Rent provisions
§ 7:52	— —Rent abatement forfeiture
§ 7:53	—Synthetic leases
§ 7:54	——Benefits of synthetic leases
§ 7:55	——Tax and accounting issues
§ 7:56	——New rules limit synthetic leases
§ 7:57	—Equity leases
§ 7:58	Manufactured housing sites
§ 7:59	—Land-lease or fee ownership
§ 7:60	—Site selection
§ 7:61	Joint projects with transit agencies
§ 7:62	Nontaxable contributions to capital
§ 7:63	Owner's construction escrow
§ 7:64	Ground-lease provisions for lessee's construction of
0	improvements
§ 7:65	Agreement between developer corporation and
	corporate property owner to organize real estate
	corporation
§ 7:66	Covenant by lessee to make prescribed improvements
§ 7:67	Covenant by lessee to make improvements in
	accordance with approved plans and specifications
§ 7:68	Covenant by lessee to make improvements with cost to
	be credited against rent

§ 7:69	Covenant by lessee to make improvements to be financed from business profits
§ 7:70	Duty of lessor or lessee to make improvements or alterations required by law
§ 7:71	Compliance with Americans with Disabilities Act
§ 7:72	Mortgage of fee to finance tenant's construction
§ 7:73	Unsubordinated Ground Lease Option
§ 7:74	Letter of intent for joint venture from developer to institutional investor
§ 7:75	Credit tenant leases (CTLs)
§ 7:76	Exchanging real estate: the improvement exchange
§ 7:77	Deferred reverse like-kind exchange: Intermediary need not bear economic burdens and benefits of
	ownership to effect a deferred tax reverse like-kind exchange: The <i>Bartell</i> decision
§ 7:78	Developer and tenant joint ventures
§ 7:79	Covered bonds
§ 7:80	Crowdfunding
§ 7:81	Cryptocurrency
§ 7:82	Real estate development—Equity investors and the partnership disguised sale rule—Converting capital contributions into gross income
§ 7:83	Self-directed IRAs: Generally
§ 7:84	IRA alternative investments guidance
§ 7:85	Transferable state income tax credits
§ 7:86	Nontransferable state income tax credits
§ 7:87	Qualified Small Business Stock: I.R.C. § 1202

CHAPTER 8. ENVIRONMENTAL RISKS IN CONSTRUCTION FINANCING

- § 8:1 The impact of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980
- § 8:2 Methods for assessing value of contaminated property

I. LENDER LIABILITY UNDER CERCLA

8:3	Definition of "owner or operator"
8:4	—The EPA's 1992 lender liability rule
8:5	—The Asset Conservation, Lender Liability and
	Deposit Insurance Protection Act of 1996
8:6	Limitations on third-party defense
8:7	Practical effects of CERCLA on loan transactions
8:8	Protective steps for lenders seeking to limit CERCLA
	liability
8:9	AAI Rule diligence standards

§ 8:10	Lending practices to reduce environmental liability— Underwriting and commitment stage
§ 8:11	—Key issues in lender environmental policies
§ 8:12	—Lender's rights when hazard is discovered during
Ü	the loan term
§ 8:13	—Liens and superliens
§ 8:14	—Joint ventures and equity participation loans
§ 8:15	—Foreclosure deeds or deeds in lieu
§ 8:16	—Public policy
§ 8:17	——Lender's rights against borrower for hazard
0	discovered during loan
§ 8:18	Existing environmental hazards—Underground
	storage tanks
§ 8:19	—Uncovering the risk of underground storage tanks
§ 8:20	—Ways to find hidden sources of contamination
§ 8:21	—Asbestos
§ 8:22	—PCB contamination
§ 8:23	—Electromagnetic fields
§ 8:24	Reducing lender risks
§ 8:25	—On-site investigation
§ 8:26	—Allocation of risk to borrower and seller
§ 8:27	—Environmental liability insurance
§ 8:28	——Comprehensive general liability insurance
§ 8:29	——First-party property insurance
§ 8:30	——Environmental coverage by traditional policies
§ 8:31	——Pollution exclusion
§ 8:32	——Pollution exclusion changes
§ 8:33	——Environmental impairment liability policies
§ 8:34	——Liability insurance for contractors and architects
§ 8:35	——New insurance products
§ 8:36	— — Key Issues in Lender Policies
§ 8:37	—Periodic review of the borrower's operations
§ 8:38	—Title insurance
§ 8:39	—Foreclosure
§ 8:40	Conducting an environmental assessment
§ 8:41	—Environmental assessments for commercial loan
5	portfolios
§ 8:42	——Revised ASTM standard
§ 8:43	—Selection and effective use of environmental
3	consultants
§ 8:44	——How to select a consultant
§ 8:45	——Preparing a request for proposals
§ 8:46	——Reviewing responses to requests for
-	qualifications/proposals
§ 8:47	——Negotiating the agreement
-	

xviii

§ 8:48	——Managing the consultant
§ 8:49	—Environmental audits by lenders
§ 8:50	—ASTM standard for environmental assessments in commercial real estate
§ 8:51	— — The transaction screen process
§ 8:52	——Phase I environmental site assessment process
§ 8:53	——ASTM Standard Report Format
§ 8:54	— —Impact of the new ASTM standards
§ 8:55	— —Bona fide purchaser defense
§ 8:56	—Liability of borrower's negligent assessor to lender
§ 8:57	Environmental hazards in appraisal reports
§ 8:58	Duty of developer to disclose off-site environmental conditions
§ 8:59	Lender concerns in brownfields redevelopment—The brownfields problem and opportunity
§ 8:60	—Encouraging brownfield development
§ 8:61	—State brownfields programs
§ 8:62	——State cleanup programs
§ 8:63	——Statutes that eliminate all or most lender liability under a state's environmental laws
§ 8:64	 —Lender liability protections specific to state brownfields cleanup statutes
§ 8:65	— —Lender liability for contaminated real estate
§ 8:66	—Federal initiatives that limit lender liability: EPA initiatives
§ 8:67	—Insuring against liability
§ 8:68	—Brownfield Redevelopment Associations
§ 8:69	—Direct grants and liability protection for developers
§ 8:70	—Financing cleanups with federal programs
§ 8:71	Preliminary environmental risk review questionnaire and disclosure statement
§ 8:72	—Environmental inspection easement
§ 8:73	—Environmental indemnity agreement
§ 8:74	—Environmental services agreement

CHAPTER 8A. CLEAN WATER ACT REGULATIONS AND PROJECT PERMITS

§ 8A:1	Effect of Clean Water Act Regulations on land
	development projects
§ 8A:2	Regulation of waters of the United States
§ 8A:3	Clean Water Act Section 401 certification process
§ 8A:4	Federal Energy Regulatory Commission license
	under Clean Water Act Section 401
8 8A·5	Section 404 Nationwide Permit Program

§ 8A:6	Clean Water Act: Discharge of pollutants without permits
§ 8A:7	Federal manual for identifying and delineating jurisdictional wetlands
§ 8A:8	Underwriting, administrative, and legal considerations—Effect of wetlands regulation on land development—Obtaining a determination for potential sites
§ 8A:9	— — MOA requirements for individual permits
§ 8A:10	——Impact of the MOA On land development
§ 8A:11	Least-Damaging practicable development procedure
§ 8A:12	Mitigating impact on wetlands
§ 8A:13	Local agencies that regulate wetlands
§ 8A:14	Underwriting, administrative, and legal considerations—Working with local agencies to develop wetlands—Conflicts between inland wetlands agency and local planning commission
§ 8A:15	——Review by state agencies
§ 8A:16	—Qualified conservation easements

CHAPTER 9. UNIFORM LAWS, PUBLIC POLICY, AND TAX ISSUES AFFECTING THE CONSTRUCTION LENDER

_	0110	THE CITCH EDITED
ş	9:1	The Uniform Acts
§	9:2	—The Uniform Land Transactions Act
§	9:3	—The Uniform Simplification of Land Transfers Act
§	9:4	State legislation
§	9:5	Public policy and the role and responsibility of the construction lender
§	9:6	Tax issues affecting the construction lender
§	9:7	—Deduction for sales taxes
§	9:8	—Rehabilitation tax credit
§	9:9	Allocation of rehabilitation credits safe harbor
§	9:10	Tax issues affecting the construction lender— Rehabilitation tax credit—Active and passive rehabilitation credits
§	9:11	— — Combining rehabilitation credit with depreciation write-offs
§	9:12	— —Tenant rehabilitation expenditures
§	9:13	— External and internal wall requirements
§	9:14	— — Requirement of substantial rehabilitation
§	9:15	— — Rehabilitation of historic structures
§	9:16	— Effective date and transition rule
§	9:17	— Example of rehabilitation credit
§	9:18	— — Audit technique guide

§ 9:19	— — Substantial rehabilitation
§ 9:20	———Basis and depreciation
§ 9:21	— — Eligible expenditures
§ 9:22	— — —Historic structure rehabilitations
§ 9:23	— — —Increasing popularity of rehab tax credit
§ 9:24	———Rehab credit and passive loss rules
§ 9:25	—Rehabilitation tax credit
§ 9:26	—Modified percentage-of-completion method of
5 0.20	accounting
§ 9:27	—Tax implications of participating mortgages
§ 9:28	—Taxation of real estate syndicates
§ 9:29	—Federal income tax consequences of foreclosure
§ 9:30	—Federal income tax deductions for investment losses and worthless debts
§ 9:31	—Tax benefits of dedicating open space
§ 9:32	—Façade easements
§ 9:33	—Passive-loss limitations eased for real estate
3 0.00	developers
§ 9:34	—Tax-efficient design and construction
§ 9:35	—Charitable deduction for gifts of land
§ 9:36	—Depreciating land preparation costs
§ 9:37	—Improvements qualifying for bonus depreciation I.R.C. § 168(k)
§ 9:38	—Depreciation allowed for building variance costs
§ 9:39	—Non-shareholder capital contributions
§ 9:40	State development grants to entities taxed as partnerships
§ 9:41	Tax issues affecting the construction lender— Capitalizing property taxes during construction
§ 9:42	—Capitalizing interest payments during construction
§ 9:43	——Maximizing interest deductions
§ 9:44	—Contribution to water or sewage utility
§ 9:45	—Tax Credits and Bond Ceilings
§ 9:46	—Housing tax credit study shows successes
§ 9:47	—Taxation: deferral of COD income
§ 9:48	Tax consequences of common improvements affecting the developer
§ 9:49	—General method
§ 9:50	—Alternative cost method
§ 9:51	Americans with disabilities act: Effect on real estate
§ 9:52	Compliance with the Americans With Disabilities Act
§ 9:53	—Disability discrimination
§ 9:54	—Removal of barriers
§ 9:55	—New building accessibility

§ 9:56	Compliance with the Americans with Disabilities Act—New building accessibility—Inaccessible
§ 9:57	apartments —Meeting apartment accessibility requirements
§ 9:58	Compliance with the Americans With Disabilities Act—Structural impracticability
§ 9:59	Compliance with the Americans with Disabilities Act—Existing facilities
§ 9:60	Compliance with the Americans With Disabilities Act—Tax deductibility
§ 9:61	—Cost of the Americans With Disabilities Act to commercial realty
§ 9:62	——Compliance requirements
§ 9:63	——Allocation of responsibility
§ 9:64	—Foreclosure planning under the Americans With Disabilities Act
§ 9:65	— —Barrier removal
§ 9:66	——Alterations
§ 9:67	——New construction
§ 9:68	— —Tenant compliance responsibility
§ 9:69	Final guidelines under the Fair Housing Amendments Act
§ 9:70	Final guidelines under the Fair Housing Amendments Act—Safe harbors for design professionals and builders
§ 9:71	Final guidelines under the Fair Housing Amendments Act—Effect on condominium developers
§ 9:72	—The effect of the Fair Housing Amendments Act on condominium developers
§ 9:73	Special tax districts for financing infrastructure construction
§ 9:74	—Creating a special tax district
§ 9:75	—Disadvantages of special tax districts
§ 9:76	—Comparing special tax districts with other financing devices
§ 9:77	Climate change and environmental justice requirements for infrastructure grants
§ 9:78	Dispute resolution in the construction industry
§ 9:79	—Advantages of arbitration
§ 9:80	—Techniques to avoid disputes
§ 9:81	——Dispute resolution board
§ 9:82	——Partnering
§ 9:83	—Substantial completion in arbitration award
§ 9.65 § 9:84	—Construing Arbitration Clauses
•	-
§ 9:85	Securities law issues in real estate finance

0 0 0 0	
§ 9:86	—Real estate interests as securities
§ 9:87	—Controlling person liability
§ 9:88	—Liability for aiding and abetting
§ 9:89	—Qualifying for the Intrastate Offering Exemption
§ 9:90	—Dodd-Frank credit risk retention requirements
§ 9:91	"Green building"
§ 9:92	Property Assessed Clean Energy (PACE) loans
§ 9:93	Inflation Reduction Act of 2022: Energy Tax Credits and Incentives
§ 9:94	—Guidance For Section 45L Energy Efficient Home Credit
§ 9:95	—Energy Efficient Commercial Building Property Tax Deduction
§ 9:96	Fair Housing Act—Statute of limitations for design and construction claims
§ 9:97	—Safe harbors for design professionals and builders
§ 9:98	Condominium subject to Land Sales Disclosure Act
§ 9:99	Vested rights doctrine
§ 9:100	Build America Bonds
§ 9:101	Truth in Lending Act disclosures for consumer transactions
§ 9:102	Trust in Lending Act disclosures for consumer transactions—Disclosure rule guidance for construction loans
§ 9:103	CFPB Abusive Practice Standard and Enforcement Policy Statement
§ 9:104	Small Business Lending Rule
§ 9:105	Water Infrastructure Municipal Grant Program

APPENDICES

APPENDIX A.	Requirements for Plan Confirmation Under Bankruptcy Code
APPENDIX A-1.	Small Business Reorganization Act of 2019 as amended by COVID-19 Bankruptcy Relief Extension Act Of 2021
APPENDIX B.	Determination of Plan's Fairness Under Bankruptcy Code
APPENDIX C.	Title III of the Americans With Disabilities Act of 1990 ("Title III of the ADA"), 42 U.S.C.A. §§ 12181–12182

Table of Cases

Index