



WHEDA® Reserve Disbursement Policy

Effective immediately, the reserve disbursement policy for WHEDA-financed developments has been updated. The policy is as follows:

A. General

Unless specified otherwise, disbursements will be made from the project reserve accounts in the following order:

1. Residual Receipts Escrow
2. Replacement Reserves or Capital Needs Escrow
3. Development Cost Escrow

All requests and supporting documentation must be received by WHEDA no later than 12:00 p.m. on Sunday to be processed the following week. Please upload completed Reserve Disbursement Request form (see Exhibit B) as well as any supporting documentation, bids/estimates, or invoices via Procorem (see Exhibit A). The Reserve Disbursement Request form is located can be found in the project's Procorem WorkCenter.

B. Pre-approval of Expenditures

1. Requests for pre-approval to enter contracts or purchase goods or services are required for any expenditure requests over \$5,000. Copies of invoices must be provided for all expenditures over \$5,000. In addition, multiple requests submitted for the same property totaling more than \$5,000 in aggregate over a rolling 30 days will also require supporting documentation. WHEDA reserves the right to request invoices for any reimbursement request made either at time of disbursement or during the management/financial review of the property.
2. In addition, requests for pre-approval are required for the following improvements, regardless of amount:
 - a) Roofing
 - b) Concrete
 - c) Asphalt

For these improvements, at least three bids are preferred. Contact your Portfolio Risk Officer if you are unable to obtain three bids.

C. Approval of Expenditures

Approval of expenditures will be based on a variety of factors including, but not limited to:

- receiving required pre-approval (see **B** above)
- inclusion in previously submitted capital budget
- maintaining benchmark reserve of \$1,500/unit
- debt coverage ratio
- surplus cash
- age of property
- maturity of loan
- providing sufficient documentation including but not limited to: copies of invoices and bids if required (see **B** above)

End of the year submissions: Submission of expenses to be reimbursed should be remitted throughout the year. End of the year disbursements are cut off two weeks prior to December 31st in order allow ample to time process requests. If a full year of invoices are received at once or are received after December 1st WHEDA will not guarantee the processing of the request.

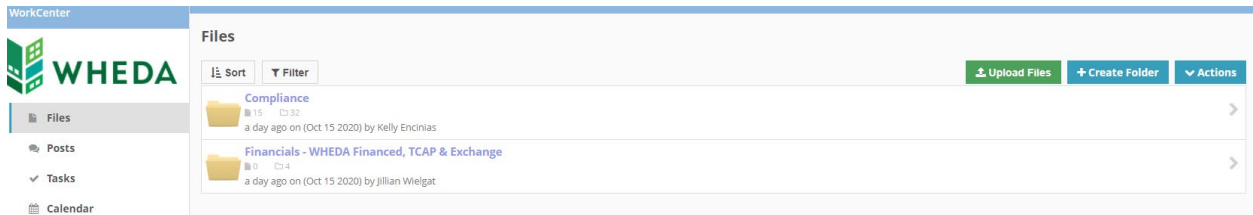
D. Disbursement of Funds

Disbursement requests must be uploaded to Procorem using the Reserve Disbursement Request form, see Exhibits A & B below.

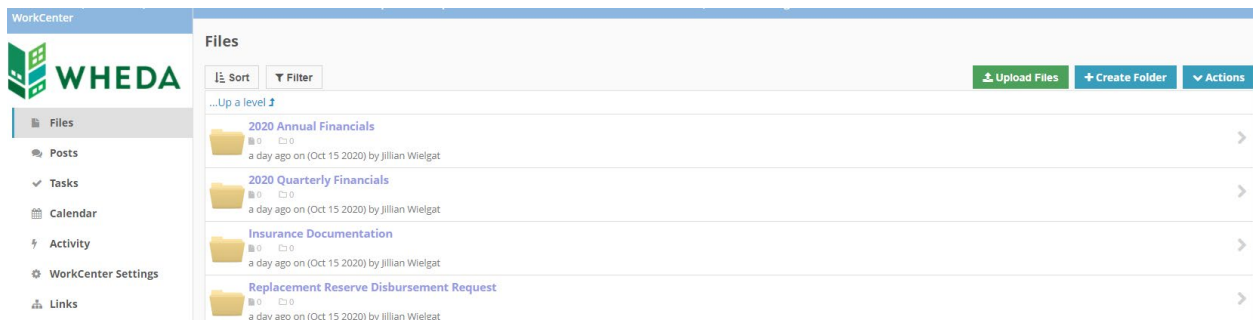
After disbursement of funds from the WHEDA-held reserve account into the project operations account or to the vendor or service provider, the agent is responsible for obtaining all applicable lien waivers. *WHEDA reserves the right to request that lien waivers be submitted to WHEDA or review the lien waivers during the management/financial review of the property.*

Exhibit A

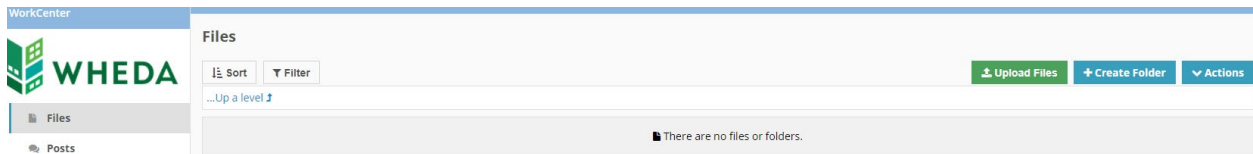
Select the appropriate WorkCenter or file. For Replacement Reserve Disbursement Requests, you will select **Financials – WHEDA Financed, TCAP & Exchange**



Next, you will select **Replacement Reserves Disbursement Request**



In this file, you will click the green **Upload Files** button



You then can upload files via your directory or drag and drop.

