

Custom Build Validation Checklist and Process Chart

The following checklist and process chart outlines the process of assessing a Custom Build Fund application and the information that is required at each stage. Submission of information earlier than required is encouraged and could help to speed up the assessment of the application.

Detailed information about the Custom Build Homes Fund can be found in the Prospectus (link) which should be read in conjunction with this supporting documentation.

Please note that this is an indicative checklist and HCA reserve the right to ask for additional information if required

Stage 1	Application Submission	
1	Completed Custom Build Loan application spreadsheet (and any additional information if available)	<input type="checkbox"/>
Stage 1	<i>Application Submission Process</i>	
	<ul style="list-style-type: none"> Applicant uses validation checklist to ensure complete and correct information is submitted for each stage of the process Applicant submits bid and supporting information via HCA Custom Build email portal HCA Central Custom Build Team registers application registered and undertakes compliance check Applicant receives confirmation of application receipt and outcome of compliance check <p>Timescale – Complete Stage 1 three days from receipt of application</p>	
Stage 2	Initial Assessment	
2	Evidence of commitment from purchasers (if available) or evidence of likely market demand	<input type="checkbox"/>
3	Evidence of previous development experience	<input type="checkbox"/>
4	Evidence of innovation (if applicable)	<input type="checkbox"/>
5	Site plan	<input type="checkbox"/>
6	Timescales for taking control of land	<input type="checkbox"/>
7	Planning permission if secured (full or outline planning consent is not required at this stage but will be a condition on the drawdown of funds)	<input type="checkbox"/>

Stage 2	Initial Assessment Process	
	<ul style="list-style-type: none"> Application assigned to HCA Local Area Manager for Initial Assessment and becomes applicant's main point of contact. Local Area Manager undertakes Initial Assessment Local Area Manager submits recommendation for approval Local Area Manager notifies applicant of outcome <p>Timescale – Complete Stage 2 four weeks maximum from receipt of application (assuming full submission of documentation)</p>	
Stage 3	Due Diligence	
8	<p>Confirmation of legal entity of applicant</p> <ul style="list-style-type: none"> - Registered name, address and number if a company - Registered name, address and number of ultimate holding company if part of a group - If a trust or other entity: <ul style="list-style-type: none"> • Copy of constitution/trust document/partnership agreement • Details of trustees/partners 	<input type="checkbox"/>
9	Copy of latest full audited financial statements	<input type="checkbox"/>
10	<p>Evidence of applicants equity</p> <ul style="list-style-type: none"> - If already spent, details of expenditure (invoices, land title) - If New Bank funding, a copy of facility or other offer of funding - If existing facilities, details of these plus confirmation from bank of headroom in facility - If mortgage, a copy of mortgage offer - If Director/shareholder/third party loan, evidence of funding 	<input type="checkbox"/>
11	Recent project valuation report (eg. Independent surveyor/valuer report commissioned by the applicant, bank or other party)	<input type="checkbox"/>
12	Project development appraisal including detailed cashflow showing income and expenditure streams on a monthly basis and cumulative peak funding requirement	<input type="checkbox"/>
13	Evidence that applicant has additional development finance	<input type="checkbox"/>
14	Details of how the loan is to be repaid	<input type="checkbox"/>
15	<p>Information on the security offered:</p> <ul style="list-style-type: none"> - Charge on site 	<input type="checkbox"/>

	<ul style="list-style-type: none"> - Personal guarantees - Parent company guarantee 	
Stage 3	<i>Due Diligence Process</i>	
	<ul style="list-style-type: none"> • Application undergoes financial assessment and project assumptions are tested including valuation, applicant's financial strength, evidence of development finance and loan repayments • Financial assessment determines interest rate for the loan • Project cashflow is produced • Local Area Manager submits recommendation for approval <p>Timescale – Complete Stage 3 eight weeks maximum from receipt of application</p>	
Stage 4	Legal Contract	
16	Agreed cashflow, loan value and interest rate	<input type="checkbox"/>
17	Agreed intercreditor deed where applicable	<input type="checkbox"/>
18	Signed Loan Agreement	<input type="checkbox"/>
Stage 4	<i>Legal Contract Process</i>	
	<ul style="list-style-type: none"> • Applicant issued with legal documents and solicitors instructed by Central Custom Build Team • Final legal documents agreed • Applicant enters into contract with the HCA • Timescale – Complete Stage 4 twelve weeks maximum from receipt of application 	