

MFH_515_514_516_REQUEST TO USE THE OWNER-BUILDER METHOD SUBMITTAL LIST

Applicant Use

The Owner-builder method may be used when the construction company is identical to the borrower/owner entity (HB-1-3560, 9.6, C). This method of development is used only when requested by profit or limited profit applicants when the applicant or any of its controlling principals are general contractors by profession and will serve as the builder of the project without a written construction contract (1924.13.e.2). There will be separate contracts to perform portions of the work, such as plumbing and electrical.

The applicant's request to construct a project by the owner-builder method of construction must be in the form of a letter, on letterhead, and include the following:

Project Name & Location:

Applicant Name & Contact Information:

Architect Name & Contact Information:

Builder Legal Name:

License/EIN:

Item:	
1.	A resume indicating the owner-builder's history, ability, and experience. (1924.13.e.2.i.A)
2.	Dated and signed financial statements on the owner-builder's operation (including balance sheets and statements of income and expense) from current and prior years indicating the payment status of the owner-builders accounts and any contingent liabilities that may exist. The financial strength must demonstrate the ability of the owner-builder to pay all bills prior to receiving periodic draws of funds from the lender. (1924.13.e.2.i.B)
3.	A written, dated, and signed statement agreeing to provide any funds necessary exceeding the applicant's contribution and the loan amount to complete the project. (1924.13.e.2.i.C)
4.	A credit report (obtained at no expense to Rural Development) attesting to the owner-builder's credit standing. (1924.13.e.2.i.D)
5.	A listing of trade references that could be contacted to substantiate the owner-builder's experience and good standing. (1924.13.e.2.i.E)
6.	Statements from other persons for whom the owner-builder has done similar work, indicating the scope of the work and that person's evaluation of the owner-builder's performance. (1924.13.e.2.i.F)
7.	<p>A current, dated, and signed trade-item cost breakdown of the estimated total development cost of the project which has been prepared by the applicant/owner-builder on Form RD 1924-13. (1924.13.e.2.i.G)</p> <ul style="list-style-type: none"> a. If cost certification is required, it may be included as a cost of the project b. Any subcontractor, material supplier or equipment lessor sharing an IOI with the applicant/owner-builder must also provide a trade-item cost breakdown. Cost certification, audited by a CPA, is required. (1924.13.e.2.viii) c. IOI entities must certify they are a viable, ongoing trade or business qualified and properly licensed to undertake the work for which it intends to contract. A prepared and executed Form RD 3560-31 must be provided. (1924.13.2.2.viii.D)
8.	<p>The owner-builder and any subcontractor, material supplier, or equipment lessor sharing an IOI must submit to the CPA the accounting system they propose to use in maintaining a running record of the actual cost. (1924.13.e.2.i.H) The owner-builder must provide a written assertion that:</p> <ul style="list-style-type: none"> a. It has an accounting system that is designed for a trade-item basis comparison of the actual cost submitted on Form RD 1924-13. b. Costs pertaining to a specific line item will be set up in the accounting system for that account (i.e., only costs related to concrete will be shown in the concrete account) c. The accounting system will restrict costs to those pertaining to one specific project so that costs from multiple projects will not be co-mingled. d. The independent CPA shall report on the owner-builder's assertion in accordance with the Standards for Attestation Engagements of the AICPA. e. The owner-builder's and the CPA's reports shall be provided to Rural Development by the owner-builder.
9.	A written, dated, and signed statement agreeing to permit USDA, the Comptroller General of the United States, or any of their duly authorized representatives, to have access to any books, documents, papers, and records which are directly pertinent to the specific Federal program for the purpose of making audit, examination, excerpts, and transcriptions. (1924.13.e.2.i.I)